

SUMMARY OF THE BONN CLIMATE CHANGE TALKS: 31 MAY - 11 JUNE 2010

The Bonn Climate Change Talks took place from 31 May to 11 June 2010 in Bonn, Germany. The meeting included the 32nd sessions of the Subsidiary Bodies of the United Nations Framework Convention on Climate Change (UNFCCC), the tenth session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA 10) and the twelfth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 12). Approximately 2,900 participants attended the meeting, representing governments, intergovernmental and non-governmental organizations, academia, the private sector and the media.

One of the key issues under the Subsidiary Bodies was an agenda item under the Subsidiary Body for Scientific and Technological Advice (SBSTA) on scientific, technical and socio-economic aspects of mitigating climate change. The Alliance of Small Island States (AOSIS), with most other parties, called for requesting a technical paper by the Secretariat on options for limiting global average temperature increase to 1.5°C and 2°C from pre-industrial levels. The proposal was opposed by Saudi Arabia, Oman, Kuwait and Qatar. No agreement was reached and parties eventually adopted SBSTA conclusions without referencing the technical paper. Many parties and civil society representatives expressed “deep disappointment” at the outcome.

The AWG-LCA focused on exchanging views on the Chair’s new draft negotiating text (FCCC/AWGLCA/2010/6) through a contact group chaired by AWG-LCA Chair Margaret Mukahanana-Sangarwe (Zimbabwe). During the meeting, several delegates commented on the constructive mood and some felt that progress was made on issues, such as finance. However, AWG-LCA 10 did not adopt conclusions as parties did not reach agreement on issues including a request to the Secretariat to compile developed and developing countries’ mitigation pledges. Late in the evening on Thursday, 10 June, AWG-LCA Chair Mukahanana-Sangarwe circulated the advance draft of a revised text to facilitate negotiations among parties, to be issued as an official document (FCCC/AWGLCA/2010/8) for

consideration by AWG-LCA 11 in August. She explained that the draft text would still be revised before the August session and that she did not wish to discuss it at AWG-LCA 10. During the closing plenary, a number of developing countries indicated that the advance draft was “unbalanced,” emphasizing that it could not be used as the basis for negotiations in August unless developing countries’ proposals were better reflected.

For the AWG-KP, the focus was on Annex I emission reductions and other issues, including the flexibility mechanisms and land-use, land-use change and forestry (LULUCF). In particular, parties exchanged views on the pledged emission reductions and the underlying assumptions on the use of the flexibility mechanisms and LULUCF in the post-2012 period. They also addressed legal matters and ways to ensure that there is no gap between the first and subsequent commitment periods. Late on Friday night, 11 June, the AWG-KP agreed to conclusions (FCCC/KP/AWG/2010/L.4) requesting the Secretariat to prepare a technical paper on legal issues and organize a technical workshop on the scale of Annex I emission reductions before AWG-LCA 13. Many felt that even though the

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level of ambition reflected in Annex I parties' pledges remains inadequate, the AWG-KP has now made some "progress in the right direction."

At the end of the meeting, delegates bid farewell to the outgoing UNFCCC Executive Secretary Yvo de Boer and welcomed the appointment of Christiana Figueres from Costa Rica as the next Executive Secretary.

A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the UNFCCC in 1992, which sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid "dangerous anthropogenic interference" with the climate system. The UNFCCC entered into force on 21 March 1994 and now has 194 parties.

In December 1997, delegates at the third Conference of the Parties (COP 3) in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known as Annex I parties under the UNFCCC, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying country by country. The Kyoto Protocol entered into force on 16 February 2005 and now has 191 parties.

In 2005, the first Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 1), held in Montréal, Canada, established the AWG-KP on the basis of Protocol Article 3.9, which mandates consideration of Annex I parties' further commitments at least seven years before the end of the first commitment period. In addition, COP 11 agreed in Montréal to consider long-term cooperation under the Convention through a series of four workshops known as "the Convention Dialogue," which continued until COP 13.

BALI ROADMAP: COP 13 and COP/MOP 3 took place in December 2007 in Bali, Indonesia. The focus of the Bali Conference was on long-term issues. These negotiations resulted in the adoption of the Bali Action Plan (decision 1/CP.13), which established the AWG-LCA with a mandate to focus on key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance, as well as technology and capacity building. The Bali conference also resulted in agreement on a two-year process, the Bali Roadmap, which covers negotiation "tracks" under the Convention and the Protocol and set a deadline for concluding the negotiations at COP 15 and COP/MOP 5 in Copenhagen in December 2009.

FROM BALI TO COPENHAGEN: In 2008, the two AWGs held four parallel negotiation sessions: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland. In 2009, the AWGs convened for parallel sessions: April, June and August in Bonn, Germany; October in Bangkok, Thailand; November in Barcelona, Spain; and December in Copenhagen, Denmark.

AWG-LCA: For the AWG-LCA, the first part of 2009 focused on developing draft negotiating text. At AWG-LCA 6 in June, parties clarified and developed their ideas, using a Chair's draft as a starting point. This process resulted in a text that was nearly 200 pages long and covered all the main elements of the BAP.

During its informal session in August, the AWG-LCA first held consultations on how to proceed with the text and then began to produce non-papers, as well as reading guides, tables and matrices aimed at making the negotiating text more manageable. Convening in Bangkok and Barcelona, AWG-LCA 7 continued streamlining and consolidating the negotiating text. The outcome was a series of non-papers, forwarded to Copenhagen as an annex to the meeting report. Going to Copenhagen, many felt that the AWG-LCA had made satisfactory progress on issues such as adaptation, technology and capacity building but that "deep divides" remained on mitigation and certain aspects of finance.

AWG-KP: For the AWG-KP, the focus in 2009 was on the "numbers," namely, Annex I parties' aggregate and individual emission reductions beyond 2012, when the Protocol's first commitment period expires. Parties also continued discussing other issues in the AWG-KP's work programme, including: the flexibility mechanisms; LULUCF; and potential consequences of response measures. The discussions were based on documentation divided into proposals for amendments to the Protocol under Article 3.9 (Annex I parties' further commitments) and text on other issues, such as LULUCF and the flexibility mechanisms.

Most felt that no significant progress was made on Annex I parties' aggregate and individual targets, and differences also surfaced between developed and developing countries concerning whether the outcome from Copenhagen should be an amendment to the Kyoto Protocol or a single new agreement under both AWGs.

By June 2009, the Secretariat had received five submissions from parties for a new protocol under the Convention, and twelve submissions concerning amendments to the Kyoto Protocol for consideration by COP 15 and COP/MOP 5, respectively, in Copenhagen.

COPENHAGEN CLIMATE CHANGE CONFERENCE: The United Nations Climate Change Conference in Copenhagen, Denmark, took place from 7-19 December 2009. It included: COP 15 and COP/MOP 5, held in conjunction with the 31st sessions of the Subsidiary Bodies, as well as AWG-KP 10 and AWG-LCA 8. What many characterized as "intense negotiations" took place over the two weeks at the level of experts, Ministers and Heads of State. Over 110 world leaders attended the joint COP and COP/MOP high-level segment from 16-18 December.

Questions concerning transparency and process played out during the meeting. Differences emerged, *inter alia*, on whether work should be carried out in a smaller "Friends of the Chair" format or in open contact groups. A proposal by the Danish COP Presidency to table two texts reflecting the work done by the AWGs also caused divisions. Many parties rejected this idea, urging that only texts developed in the AWGs by parties should be used. During the high-level segment, informal negotiations took place in a group consisting of major economies and

representatives of regional and other negotiating groups. Late on Friday evening on 18 December, these talks resulted in a political agreement entitled the “Copenhagen Accord.”

During the closing COP plenary, which lasted nearly 13 hours, discussions ensued on the transparency of the process and on whether the COP should adopt the Copenhagen Accord. Most negotiating groups supported its adoption as a COP decision in order to operationalize it as a step towards a “better” future agreement. Some developing countries, however, opposed the Accord reached during what they characterized as an “untransparent” and “undemocratic” negotiating process. Ultimately, parties agreed to adopt a COP decision whereby the COP “takes note” of the Copenhagen Accord. Parties also established a procedure for countries supporting the Copenhagen Accord to accede to it. By May 2010, 127 countries indicated their support for the Copenhagen Accord. Forty-two Annex I countries and 42 non-Annex I countries have also provided information on their emission reduction targets and other mitigation actions, as agreed under the Accord.

On the last day of the Copenhagen Climate Change Conference, the COP and COP/MOP also agreed to extend the mandates of the AWG-LCA and AWG-KP, requesting them to present their respective outcomes to COP 16 and COP/MOP 6, which will convene in Cancún, Mexico, for two weeks beginning on 29 November 2010.

AWG-LCA 9 AND AWG-KP 11: From 9-11 April 2010, AWG-LCA 9 and AWG-KP 11 convened in Bonn, Germany. Their focus was on the organization and methods of work in 2010 to enable each AWG to fulfill its mandate and report its outcome in Cancún.

The AWG-LCA agreed, *inter alia*, to mandate its Chair to prepare text, under her own responsibility, for the June session, drawing on the AWG-LCA report to COP 15, as well as work undertaken by the COP on the basis of that report. The AWG-LCA also agreed to invite parties to submit additional views by late April, which the Chair may draw upon in preparing her draft negotiating text.

The AWG-KP agreed to continue considering Annex I parties’ aggregate and individual emission reductions, as well as the other issues. It mandated the Chair to prepare documentation for the next session. The AWG-KP also agreed to note that its Chair has undertaken, under his own initiative, to meet with the AWG-LCA Chair to identify information on commitments of Annex I parties, which is to be made available to parties.

REPORT OF THE MEETINGS

The 32nd sessions of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) took place from 31 May to 11 June 2010. The meeting also included the tenth session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA 10) and the twelfth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 12). This report summarizes the discussions by these four bodies during the meeting, based on their respective agendas.

AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION

AWG-LCA 10 opened on Tuesday, 1 June with Margaret Mukahanana-Sangarwe (Zimbabwe) continuing as the AWG-LCA Chair, Daniel Reifsnyder (US) as the AWG-LCA Vice-Chair, and Teodora Obradovic-Grncarovska (Former Yugoslav Republic of Macedonia) as the Rapporteur. Mukahanana-Sangarwe opened the session and parties adopted the agenda and agreed to the organization of work (FCCC/AWGLCA/2010/4).

Reporting on intersessional meetings, Mexico highlighted the informal ministerial meeting on 20-21 May, which focused on financing and was attended by Mexican President Felipe Calderón and German Chancellor Angela Merkel. Bolivia provided an overview of the World People’s Conference on Climate Change and the Rights of Mother Earth, held in Cochabamba, Bolivia in April 2010. Germany highlighted the Petersburg Climate Dialogue convened jointly by Germany and Mexico in early May. Norway described the Oslo Forest Climate Conference in May 2010 where a non-binding partnership on reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+) was established to help coordinate action, and is consistent with negotiations under the UNFCCC. Ethiopia reported on the work by the UN Secretary-General’s High-level Advisory Group on Climate Change Financing, describing efforts to identify financing sources and informing delegates that the aim is to report the outcomes by November 2010.

PREPARATION OF AN OUTCOME AT COP 16: This issue was first considered by the AWG-LCA opening plenary on 1 June where AWG-LCA Chair Mukahanana-Sangarwe introduced her scenario note (FCCC/AWGLCA/2010/5), draft negotiating text (FCCC/AWGLCA/2010/6), submissions from parties (FCCC/AWGLCA/2010/MISC.2 and Add.1-2), submissions on an indicative roadmap (FCCC/AWGLCA/2010/MISC.3) and submissions by intergovernmental organizations (FCCC/AWGLCA/2010/MISC.4).

Parties expressed their views on the Chair’s new draft negotiating text, with many parties identifying it as a good basis for discussion. Yemen, for the Group of 77 and China (G-77/China), suggested restructuring the draft negotiating text in accordance with the Bali Action Plan (BAP) and emphasized the need for a separate chapter on finance. The Democratic Republic of the Congo, for the African Group, requested consideration of issues, including: intellectual property rights; an international programme on adaptation; registry for nationally appropriate mitigation actions (NAMAs) by developing countries; and trade and climate change. Lesotho, for the Least Developed Countries (LDCs), called for the AWG-LCA to ensure a fair outcome on adaptation financing. Grenada, for the Alliance of Small Island States (AOSIS), expressed “great concern” that current emission reduction pledges would lead to a temperature increase of 4°C and that six months after COP 15, financing for adaptation is yet to materialize.

Spain, for the European Union (EU), said the Chair’s text can facilitate negotiations, but noted room for improvement regarding more ambitious emission reductions. Switzerland, for the Environmental Integrity Group (EIG), commended the new

negotiating text, highlighting that it brings together issues that were close to conclusion at COP 15. Australia, for the Umbrella Group, emphasized that progress in the negotiations should be made based on COP 15's outcomes, including the Copenhagen Accord, and expressed conviction that agreement can be reached at COP 16.

Chile, also speaking for Peru, Colombia, Costa Rica, Uruguay, the Dominican Republic and Panama, highlighted the importance of identifying points of common understanding. Panama, for the Central American Integration System, identified adaptation as a priority and called for predictable, sustained and long-term funds that are additional to official development assistance (ODA).

Bolivia lamented that the Chair's text is unbalanced and that their proposals have not been reflected. Paraguay supported inclusion of the People's Agreement of Cochabamba into the Chair's text.

Guyana called for adequate and predictable financing for early action on REDD+. The Marshall Islands highlighted the difficulty of negotiating text without an understanding of the form of the outcome.

The Russian Federation highlighted the need for cooperation between the AWGs. New Zealand suggested considering cross-cutting issues across the two AWGs through workshops. Japan highlighted "good political guidance" from Copenhagen. The US lamented that their submission was not reflected and stressed the need to recognize the political guidance and trade-offs made in Copenhagen. Tuvalu and Pakistan cautioned against including text from the Copenhagen Accord. Norway said the text forms a good basis for anchoring the Copenhagen Accord in a formal and legally-binding agreement, but noted that issues that require further development include market-based mechanisms and measuring, reporting and verification (MRV).

Saudi Arabia called for a comprehensive agreement on a package of decisions, rather than agreements on selected elements. India highlighted the need to consider how to handle publicly- and privately-owned technology and warned against unilateral trade measures and green protectionism. The Cook Islands stressed the need to consider emissions from international aviation and maritime transport (bunker fuels).

ICLEI-Local Governments for Sustainability highlighted the first World Congress on Cities and Adaptation to Climate Change, held in Bonn during the first week of June, leading to the adoption of the Declaration of Mayors Adaptation Forum.

From 2-10 June, the preparation of an outcome at COP 16 was considered through a single AWG-LCA contact group "on item 3," chaired by AWG-LCA Chair Mukahanana-Sangarwe. Parties focused on exchanging views on the Chair's draft negotiating text (FCCC/AWGLCA/2010/6). Discussions focused on the main elements of the BAP: a shared vision on long-term cooperative action, mitigation, adaptation, technology, capacity building, and finance.

Shared vision: A shared vision on long-term cooperative action was first considered by the AWG-LCA contact group on 3 June, based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/indicative_questions_for_cg_shared_vision.pdf). AWG-LCA Vice-Chair Reifsnnyder facilitated informal consultations on review/assessment of a shared vision.

Key issues discussed included: scope of the preamble; whether a shared vision should be articulated for each of the building blocks and, if so, how; how a long-term global goal for emission reductions should be expressed; and how overall progress in implementation, including the long-term global goal for emission reductions, should be reviewed.

On the *scope of the preamble*, the Philippines, for the G-77/China, stated it should set out the "bigger picture," including concepts such as historical responsibility, justice, equity and burden sharing, as well as the effective implementation of developed countries' commitments. He called for articulation of, *inter alia*, the rights of Mother Earth, indigenous and local community rights, and the avoidance of climate change-related trade measures.

On *articulating a shared vision for each of the building blocks*, the G-77/China and Antigua and Barbuda, for AOSIS, highlighted the need for a shared vision for all the building blocks. New Zealand opposed articulating a shared vision for each of the building blocks, noting that the shared vision should encapsulate "what we want to achieve."

On expressing a *long-term goal for emission reductions*, AOSIS highlighted, *inter alia*: limiting temperature increase to well below 1.5°C from pre-industrial levels; peaking emissions by 2015; stabilizing greenhouse gas (GHG) concentrations at well below 350 parts per million (ppm) of carbon dioxide (CO₂) equivalent; and a global long-term goal for emission reductions of 85% from 1990 levels by 2050. South Africa highlighted the long-term global goal as "more than just a number, but also nothing without a number." The US said the 2°C target, to which the political leaders have committed, should guide the vision. Panama, for the Central American Integration System, called for stabilizing GHG concentrations to below 350 ppm of CO₂ equivalent and ensuring that the global average temperature increase does not exceed 1.5°C. Australia said the Copenhagen Accord provides "excellent guidance," and called for reflecting agreement on the 2°C target, with the possibility of strengthening it, and on peaking global emissions as soon as possible.

The EU stressed the need to operationalize the 2°C target that was agreed in Copenhagen, saying global emissions should peak by 2020 and be reduced by at least 50% by 2050. He also said developed countries should reduce their emissions by 80-95% by 2050. Bolivia called for limiting temperature increase to 1°C and stabilization at as close to 300 ppm as possible. He urged developed countries to reduce emissions by 50% from 1990 levels by 2017 without the use of market mechanisms. China emphasized that a shared vision should not be narrowed down to only a global goal on emission reductions and explained that the global long-term goal should be expressed in a balanced way, with a link to ambitious mid-term emission reductions by developed countries and support for developing countries. Pakistan observed that peaking periods for developing countries were conditional on the development threshold.

On the *review process*, the G-77/China highlighted the need to review the adequacy and effectiveness of developed country commitments. AOSIS observed that the review should assess the adequacy of the long-term global goal and emission reductions and that the first review should be initiated by the COP in 2013 and concluded by 2015, with subsequent reviews every five years. New Zealand observed that the review should

be conducted thoroughly and periodically. Japan identified the need to review the level of ambition based on rigorous science and supported a 50% global emission reduction target by 2050. China said the review should be consistent with the Convention and focus on Annex I emission reductions, as well as on their support for developing countries. Indonesia supported a review process every five years. Norway proposed that a review process be conducted regularly. Switzerland, for the EIG, highlighted the role of national GHG inventories in a periodic review process.

Adaptation: This issue was considered by the AWG-LCA contact group on 5 June, based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/questions_for_adaptation_session-final.pdf). Discussions focused on: scope, institutional arrangements, loss and damage, and how to match action with support.

On *scope*, the Maldives, for the G-77/China, underscored that adaptation is critical for all developing countries. The US said that all countries face adaptation challenges. Ghana, for the African Group, and Switzerland emphasized the need to consider the most vulnerable countries, particularly Africa, the LDCs and small island developing states (SIDS). Bangladesh, for the LDCs and Cook Islands, for AOSIS, with New Zealand, Canada and Norway, stressed that impacts of response measures must not be included in the adaptation chapter. Saudi Arabia, supported by Algeria, stressed the need to address response measures in the context of adaptation and highlighted that in Copenhagen, political leaders agreed to such an approach.

On *institutional arrangements*, the G-77/China, with AOSIS, the LDCs, the African Group, and others, supported establishment of a permanent adaptation body under the Convention to, *inter alia*: assess adaptation needs of developing countries; formulate guidance; develop technical criteria; and facilitate implementation. The LDCs emphasized the establishment of regional centers and networks to facilitate implementation of adaptation actions. Canada, Australia, Japan and the US called for an approach identifying functions prior to discussion of form. Australia highlighted that the functions should include, *inter alia*: cooperation, information sharing and analyses, and capacity building. The EU called for assessing the fulfillment of adaptation needs under current arrangements as a basis for deciding on the need for new institutions.

On addressing *loss and damage*, the G-77/China, AOSIS and Fiji highlighted insurance for extreme events, and, with Turkey, creation of a mechanism to address loss and damage. New Zealand and the US opposed establishment of such a mechanism. Australia stressed preventive approaches. The EU underscored addressing loss and damage at the country level. Saudi Arabia called for compensating loss and damage from the impacts of response measures.

On *matching adaptation actions with support*, the G-77/China, with the African Group and AOSIS, emphasized long-term financing that is new and additional to ODA. With Nicaragua and the Philippines, they called for funding of country-driven actions. AOSIS highlighted supported planning processes for LDCs and SIDS as the driver for funding and underscored improving the MRV process on additionality of funding. The African Group stressed simplified delivery of support, with direct access. Peru supported integrating adaptation into existing national plans and use of tools from the Nairobi

Work Programme on impacts, vulnerability and adaptation to climate change (NWP). New Zealand suggested enhancing the Adaptation Fund (AF) to become the adaptation fund under both the Convention and the Protocol. Canada supported matching adaptation actions and support through discussions on finance, technology and capacity building. With the US, Australia said that matching action to support is best discussed in the context of finance.

Finance: The enhanced provision of financial resources, including linkages between the financial mechanism and proposed bodies for adaptation, technology development and transfer, capacity building, REDD+, and the mechanism to record and facilitate provision of support was first considered by the AWG-LCA contact group on 2 June, based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/questions_institutional_arrangements_01.06.10.pdf). During the meeting, Burhan Gafour (Singapore) convened informal consultations on coherence and coordination, and matching action with support. The key issues discussed included sources of funding, relationship between the financial mechanism and the proposed thematic bodies, as well as matching and facilitation.

On *sources of funding*, the US, Australia, New Zealand, Switzerland and other developed countries stressed the need to consider the report by the UN Secretary-General's High-level Advisory Group on Climate Change Funding (AGF), expected in the autumn. Pakistan, for the G-77/China, questioned the role of the AGF, with many developing countries stressing the need for new, adequate and predictable funding from developed countries' public sources. Many developing countries also called for assessed contributions and linking financing with Gross Domestic Product.

On the *relationship between the financial mechanism and thematic bodies* on issues including adaptation, technology and REDD+, the G-77/China advocated a strong and direct relationship between the proposed thematic bodies and the finance board. Zambia, for the LDCs, stated that the provision of funds should be undertaken by the respective thematic boards with overall supervision by the finance board. Egypt, for the African Group, explained that the proposed new finance board should allocate funding based on recommendations from technical committees established under the thematic areas. The US stated that the Copenhagen Green Climate Fund and the Global Environment Facility (GEF) would each play an important and complementary role, with the green fund focusing on large-scale investments. He said no new committee or board is necessary. Japan cautioned against duplication of efforts and creation of an "oversized" or "overlapping" organization. He called for the operationalization of the Copenhagen Green Climate Fund and use of existing organizations. He also noted that there had been no consensus on the establishment of a finance board in Copenhagen.

The EU stated that they now strongly supported the establishment of the Copenhagen Green Climate Fund. He said other bodies would have an advisory role and would not be disbursing funding. The EU said the proposed finance board was "very problematic" and identified the need to discuss functions first and then decide which institutions should undertake them. Singapore highlighted that financial entities should focus on

how to provide funding and technical entities should decide what to fund. He noted the need for a new financial oversight entity to complement the Copenhagen Green Climate Fund. Tuvalu identified a “clear need” to establish a finance board whose primary role would be to oversee MRV of finance. He characterized the green fund as “a political promise that is not part of our discussions” and lamented that it is being used “to force countries to sign on to the Copenhagen Accord.” China supported the development of a multi-window system with a strong link between the financial mechanism and the thematic bodies. She also said governance should be under the authority and guidance of the COP. Argentina supported a new fund and facility, governed by a board and assisted by thematic bodies. He said funding proposals would be analyzed by thematic bodies that provide guidance to the finance board for disbursement. Canada identified, as a key objective, a new financing facility with an accountable body making decisions on funding, informed by expert-level decisions.

On **matching and facilitation**, the G-77/China suggested that the finance board undertake the facilitation and matching functions, and emphasized that the proposed fund should have the capacity to allocate and determine financial resources. The EU proposed a matching platform for developing countries to list their needs and match them with support.

On whether the proposed registry mechanism should be housed under the financial mechanism, Barbados, for AOSIS, stated that it should be a stand-alone structure with clear and direct links to the financial mechanism. South Africa envisaged a mitigation registry closely related to the financial mechanism and said the registry could, *inter alia*, record and match actions and support, and provide technical analysis.

On **ensuring coherence between the board and thematic institutions**, developing countries generally preferred a multilateral climate change fund under the authority of, and accountable to, the COP to ensure coherence and consistency in climate change finance. Preferring the use of existing institutions, some developed countries expressed the view that imposing coherence through a COP body is not the right way to address the issue, emphasizing the need to make sure that a new fund is complementary to, rather than duplicating existing funds and said coherence can be provided by the COP via the SBI under normal functions. AOSIS, emphasized the importance of ensuring coherence between the financial mechanism and the thematic bodies, with each body having its own governance structure. A forum to bring together the heads and boards of funds to discuss operational issues was also tabled by a group of developed countries.

Technology: This issue was first considered by the AWG-LCA contact group on 7 June, through a list of questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/questions_for_technology.pdf). Herman Sips (the Netherlands) facilitated informal consultations on the proposed technology mechanism.

Discussions focused on: how the proposed technology executive committee (TEC) and climate technology center and network (TCN) would interact; the respective roles of the SBI, SBSTA and the TEC; the interlinkages between the technology

mechanism comprising the TEC and TCN; and non-financial aspects of the existing and proposed institutional arrangements for adaptation and mitigation.

On the **interaction between the TEC and TCN**, Argentina, for the G-77/China, said the TEC should have a mandate on the TCN and set priorities and technical criteria. Japan proposed that the TEC serve as a high-level advisory body and that the TCN support the development of NAMAs. The EU highlighted the important role of a network of centers in the provision of assistance to developing countries for the preparation of country-driven planning and actions on mitigation and adaptation. He highlighted an advisory role for the TEC in providing recommendations on gaps and needs for both mitigation and adaptation. South Africa, for the African Group, explained that the TEC would guide implementation of technology transfer and have an advisory role for the TCN. He noted that the TCN would provide support for project design and implementation of nationally-driven actions. India said the TEC should provide oversight and review proposals for financial support. Bolivia stressed that the TEC should be the primary body, linked to a window in the financial mechanism to cover the full incremental costs of technology transfer, and highlighted MRV of technology transfer by developed countries. Canada said the TEC and TCN should be two separate yet equal components of the technology mechanism and should avoid duplication, seek effectiveness and synergies, and be mutually supportive.

On the **respective roles of the SBI, SBSTA and the TEC**, the G-77/China said the TEC should be a stand-alone body and report to the COP. China, supported by South Africa, emphasized that the TEC should be a strong and independent entity with a role in guidance, setting up programmes and raising financial support. Developed countries generally preferred the TEC to be under the SBSTA and report to the COP through the SBSTA. Australia said the TCN and TEC should have operational autonomy and should regularly report to the SBSTA for finance, review and guidance. Canada suggested that the TEC and TCN should maximize the effectiveness of the existing institutions and report to the SBSTA.

Capacity Building: This issue was addressed by the AWG-LCA contact group on 8 June, based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/redd_and_cb.pdf). Issues discussed included ways to support developing countries’ capacity needs and the adequacy of existing arrangements/institutions/bodies.

The US, with the EU and Australia, said capacity building should be integrated throughout the relevant chapters in the draft negotiating text. The US indicated that a new capacity-building mechanism is not necessary. The EU said capacity building should take account of different developing countries’ needs and encouraged South-South and triangular approaches.

Saint Vincent and the Grenadines, for AOSIS, cautioned against overlapping institutions, saying the technology and adaptation mechanisms should integrate capacity building, but options for a capacity-building mechanism should be kept open. Japan cautioned against the proliferation of bodies under the Convention. Turkey underscored that international and regional organizations, as well as NGOs, can also provide support.

Tanzania, for the G-77/China, highlighted the need for capacity building for a range of issues, including NAMAs, MRV and REDD+. He stressed that the existing institutions are not adequate, identifying the need for a technical panel or expert group, and called for monitoring progress and the use of performance indicators. Burkina Faso, for the African Group, identified the need for capacity building at the regional and national levels. He stressed that the current institutional arrangements are not adequate, calling for technical support to identify capacity-building needs and explaining that thematic institutions would mobilize support from the proposed capacity-building group.

Mitigation: On mitigation, the BAP contains the following sub-paragraphs:

- 1(b)(i) on mitigation by developed countries;
- 1(b)(ii) on mitigation by developing countries;
- 1(b)(iii) on REDD+;
- 1(b)(iv) on cooperative sectoral approaches and sector-specific actions;
- 1(b)(v) on various approaches to enhance the cost-effectiveness of mitigation action, including markets; and
- 1(b)(vi) on consequences of response measures.

Sub-paragraph 1(b)(i): This issue was considered by the AWG-LCA contact group on 3 June and 7 June, based on questions by the AWG-LCA Chair ([http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/1b\(i\)_questions_for_web_final.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/1b(i)_questions_for_web_final.pdf) and [http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/1b\(i\)_mrv_questions.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/1b(i)_mrv_questions.pdf)).

Many developing countries stressed the need for deep emission cuts by developed countries and highlighted that the use of LULUCF and market mechanisms must be supplemental to domestic action. Many parties also highlighted the importance of comparable efforts by all Annex I countries regardless of whether they are parties to the Kyoto Protocol. Brazil, for the G-77/China, recalled the G-77/China's proposal for a technical panel on comparability of developed countries' mitigation efforts and stressed that commitments should be defined top down, reflect science and be part of the formal outcome of the negotiations.

Barbados, for AOSIS, urged agreement on Annex I aggregate emission reductions of at least 45% from 1990 levels by 2020. The Philippines supported limiting temperature increase to 1.5°C. The US highlighted the goal of limiting temperature increase to 2°C, which may be strengthened by 2015. He said all credible mitigation actions, including LULUCF, should count for commitments. South Africa, for the African Group, offered a proposal to insert a collective mid-term goal and then agree on a process to negotiate pledges reducing emissions by at least 40% by 2020.

Spain, for the EU, Switzerland, for the EIG, and AOSIS requested that the Secretariat compile information on developed country pledges. The EU requested also compiling developing country pledges in the context of sub-paragraph 1(b)(ii) of the BAP.

Many developed countries stressed the need to coordinate work by the two AWGs. AOSIS expressed willingness to explore the possibility of a "common space" to discuss the scale of ambition of Annex I aggregate emission reductions. Colombia, also speaking for Chile, Costa Rica, the Dominican Republic,

Guatemala, Panama, Peru and Uruguay, expressed "great interest" in the proposal by AOSIS. The Russian Federation said a collective emission reduction goal might be a useful tool for indicating the aspiration of countries, but that it should not be used for defining individual targets. The proposal was also discussed in the AWG-KP contact group on Annex I emission reductions, where some developing countries supported joint discussions limited to Annex I emission reductions and some developed countries called for broader discussions also including mitigation by developing countries. Reporting back on informal consultations with the AWG-KP Chair on the "common space" proposal on 4 June, the AWG-LCA Chair noted agreement to organize joint discussions "soon," in consultation with parties, and suggested that parties consult on this matter. The US stressed that since his country is not a party to the Kyoto Protocol and does not intend to become one, such joint discussions would not be appropriate. AWG-LCA Chair Mukahanana-Sangarwe explained that the aim was to explore opportunities for moving forward, rather than combining discussions under the two AWGs. During the AWG-LCA closing plenary on 11 June, Mukahanana-Sangarwe reported that consultations on this proposal will continue.

On MRV of mitigation commitments or actions by developed countries, many parties supported applying and enhancing the current Protocol reporting guidelines, particularly with regard to national communications and national GHG inventories. The US stressed the need for provisions on MRV and on international consultation and analysis (ICA), indicating that reaching agreement on a fully operational system is essential this year. He emphasized that MRV for Annex I countries must be considered in tandem with ICA for non-Annex I countries. Australia suggested annual GHG inventories by developed countries and biennial national communications by all countries. Japan, the US and others supported using the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines on National Greenhouse Gas Inventories. Norway, the US, Japan and New Zealand proposed that MRV should also apply to developing countries, taking into account to the differences between them.

The EIG and Turkey supported using the existing guidelines, with the EIG suggesting that the need might arise for adding further guidelines and new topics or for adjusting the frequency of reporting. China said that rules on MRV under the Kyoto Protocol should apply to Annex I countries that are not parties to the Protocol. He stressed MRV of Annex I countries' targets as the focus of MRV, highlighting that there is no need for an overall MRV framework or for new MRV institutions.

AOSIS supported an international review process, and accounting and reporting of emissions and LULUCF, as well as tradable units or offsets. Singapore suggested that MRV should contribute to ensuring Annex I countries' compliance and urged that the measuring rules for all Annex I countries should be comparable and coherent in order to provide a clear picture of emission reductions.

On issues to be reported, parties, *inter alia*, proposed: offsets and trading; absolute emission reductions; economy-wide emission reduction targets; policies and measures, as well as their impacts on developing countries; support for mitigation, adaptation and capacity building in developing countries; the

matching of actions with support; geographical coverage; and the relative contributions of domestic efforts and market mechanisms to meeting reduction targets.

Sub-paragraph 1(b)(ii) of the BAP: This issue was considered by the AWG-LCA contact group on 4 and 8 June, with parties focusing on three sets of questions by the AWG-LCA Chair:

- on mitigation action by developing countries and associated MRV (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/mitigation_actions_by_developing_countries_and_associated_mrv_3_june.pdf);
- on MRV of support (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/finalquestionsmrvsupportweb_version_21.35.pdf); and
- further questions on mitigation action by developing countries and associated MRV (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/mitigation_actions_by_developing_countries_and_associated_mrv.pdf).

On **MRV of developing country mitigation actions**, Australia, for the Umbrella Group, called for annual inventories by Annex I countries, and biennial inventories by non-Annex I countries, using the 2006 IPCC Guidelines. She also called for biennial streamlined communications and said full national communications would be provided periodically. On MRV for non-Annex I countries, she called for: domestic MRV of actions; ICA of national communications, including expert analysis; party consultations under the SBI; and a summary report. The US stressed the need to adopt operational text on MRV this year. The EU highlighted work on MRV by Germany and South Africa.

Brazil, for the G-77/China, stressed the distinction between developed and developing countries' reporting requirements and highlighted the close link between MRV of actions and MRV of support. He emphasized that a review process or any other process implying scrutiny of national reporting is not "an appropriate presentation" for non-Annex I countries. Barbados, for AOSIS, expressed willingness to consider more frequent communication of issues, such as GHG inventories, while calling for ensuring the provision of enhanced support. Chile, also speaking for Colombia and Costa Rica, supported a technical review of national communications, with a greater focus on GHG inventories.

Tuvalu highlighted the role of full national communications in communicating vulnerability and adaptation needs. Sierra Leone stressed that less rigid criteria should apply to the LDCs. Egypt stressed that the revision of reporting guidelines should not lead to unification of guidelines for both Annex I and non-Annex I countries. Saudi Arabia opposed changing the frequency of reporting or revising reporting guidelines and stressed that review should be conducted at the national level.

The US supported negotiating reporting guidelines under the AWG-LCA and, with Australia, reiterated the need to reach agreement on an operational MRV system in Cancún. China, Thailand and others identified the SBI, not the AWG-LCA, as the appropriate body to consider reporting guidelines. The Marshall Islands supported the AWG-LCA considering the overarching policy issues relating to frequency and guidelines for reporting. Turkey said the AWG-LCA should give policy guidance on revising the reporting guidelines, including information on low-emission development plans and national inventories.

On **ICA**, the Republic of Korea, for the EIG, said ICA should aim to facilitate mitigation action by developing countries, build capacity and enhance transparency. South Africa said that the analysis component should include consideration of whether the reported actions have been taken and whether support has been received. He said consultations should be based on information and analysis provided by developing countries in their national communications and GHG inventories. South Africa emphasized that ICA guidelines must respect national sovereignty and that consultations should be undertaken in a multilateral setting. Norway highlighted analysis by external experts as a good learning opportunity. Singapore said an ICA system should be: technical, not political or politicized; party-driven; based on technical expertise, including that of parties concerned, and on the objectives established by the concerned developing country; and carried out in the spirit of mutual respect.

On the proposed **NAMA registry**, India supported recording NAMAs seeking international support in a registry. Australia said the registry for actions seeking support, as specified under the Copenhagen Accord, should be made operational. The EU said the NAMA registry would help to coordinate actions with support, and also cover planning and elaboration.

On **MRV of support**, the Philippines, for the G-77/China, suggested building on existing mechanisms or guidelines, such as national communications, rather than establishing new ones. The US called for using existing mechanisms, such as national communications and expert review teams. Australia said national communications could be improved, including by requiring more frequent reporting and establishing uniform indicators. Chile supported the development of a standardized reporting framework instead of building on existing institutions.

Spain, for the EU, suggested MRV of: how much support is provided; the purpose of support; channels through which the support is provided; and types of support such as grants or loans. Japan indicated that there is no need for additional institutional arrangements to ensure transparency.

China called for specific support goals including finance, capacity building and technology transfer, and identified the need for guidelines for the provision of new and additional finance. India emphasized the need for verification of support by a third party. Noting that some mitigation actions may require technical or capacity-building support rather than financial support, South Africa, for the African Group, said all three aspects should be subject to MRV in order to get "a full picture" of the support provided to developing countries.

Sub-paragraph 1(b)(iii) of the BAP: This issue (REDD+) was considered by the AWG-LCA contact group on 8 June, based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/redd_and_cb.pdf).

The EU called for agreement in Cancún on a 50% reduction in deforestation by 2020 and halting global forest loss by 2030. Ecuador identified the need for agreement on REDD+ to trigger national action. Norway, with the Philippines and Ghana, for the African Group, noted the need to work toward bringing REDD+ initiatives under the UNFCCC. Bolivia stressed that REDD+ issues should not be resolved outside of the UNFCCC.

On **financing**, Papua New Guinea highlighted the need for financing from the compliance market for full implementation. She also called for a REDD+ funding window in any new climate fund. Guyana and others called for fast-start public funding for readiness activities and market-type financing for compliance grade emission reductions. Switzerland, for the EIG, highlighted fast-track financial support through the REDD+ interim partnership and, with Saint Vincent and the Grenadines, for AOSIS, Australia, Ecuador and others, identified the need for public and private funding.

The EU said that verified emission reductions could be used, but with strict restrictions. The US called for policies encouraging private investment in sustainable land management. Japan said that public financing should support development of national strategies and action plans, as well as demonstration projects. Bolivia highlighted the need for public funding, while opposing market- or project-based funding. Saudi Arabia cautioned against the use of market mechanisms, the imposition of taxes and levies, as well as fast-tracking certain issues under the BAP. Brazil said finance should primarily be based on public funding to ensure predictability, combined with auctioning of Assigned Amount Units (AAUs) to provide the scale of funding needed. He also called for a fund under the Convention to provide funding for demonstration and implementation.

On **governance**, many parties stressed the need, *inter alia*, for: guidance from the UNFCCC; coordinated efforts by developing and developed countries; social and environmental safeguards; demonstration activities; policies to tackle underlying drivers; further progress on MRV; steps for the readiness phase; methodological guidance; credible reference levels; coordination among institutions; improvement of forest governance; and programmes for consultation and benefit sharing. Tuvalu noted that REDD+ should help all developing countries address deforestation.

On **participation**, Afghanistan, with Bolivia, underscored participation of indigenous peoples. Tanzania highlighted participation of local communities in REDD+. With China, the African Group emphasized that REDD+ initiatives are voluntary, incentive-driven actions.

Sub-paragraph 1(b)(iv) of the BAP: This issue was considered by the AWG-LCA contact group on 7 June. Parties addressed cooperative sectoral approaches and sector-specific actions in agriculture, based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/question_agriculture.pdf). Discussions focused on agriculture and bunker fuels.

Some parties supported establishment of a work programme on agriculture, highlighting the impacts of agriculture on, *inter alia*, food security, poverty reduction and sustainable development. China and South Africa emphasized that adaptation is more important than mitigation in this sector. Bolivia said that the agriculture policy framework should focus on meeting the interests of local and indigenous communities. Saudi Arabia expressed concern with “fast tracking” issues like agriculture while other issues remain unresolved. The US requested deletion of text referring directly to trade-related issues.

On bunker fuels, Spain, for the EU, Australia, Switzerland, the Gambia, Norway and others, called for consideration of this issue, with Norway adding that the new submission by the Cook

Islands (FCCC/AWGLCA/2010/ MISC.2/Add.1) could be used to bridge the gaps in the issue of bunker fuels. Saudi Arabia said the issue should be addressed through the International Civil Aviation Authority (ICAO) and the International Maritime Organization (IMO).

Sub-paragraph 1(b)(v) of the BAP: This issue was considered by the AWG-LCA contact group on 5 June and in informal consultations facilitated by Tosi Mpanu Mpanu (Democratic Republic of the Congo), based on questions by the AWG-LCA Chair (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/opportunities_for_using_markets.pdf).

Regarding an agreement in Cancún, several of those parties supporting the creation of new market mechanisms said a decision to establish such mechanisms should be adopted in Cancún and further details could then be elaborated later on.

South Africa, for the G-77/China, highlighted the need to also consider non-market approaches and emphasized the importance of discussions on finance. The Marshall Islands, for AOSIS, called for a rule-based framework and robust MRV for any new mechanisms, and stressed that emission reduction targets must be primarily achieved by domestic means. Spain, for the EU, and the US highlighted the role of market mechanisms in mobilizing the US\$100 billion of annual funding agreed in Copenhagen. Bolivia urged for a careful analysis of market mechanisms, including an evaluation of the existing mechanisms. Colombia, also speaking for Chile, Costa Rica, the Dominican Republic, Panama and Uruguay, said market-based approaches have proven to, *inter alia*: encourage private sector investment; benefit local environments; and contribute to job creation.

Norway, Australia, New Zealand, the US, the EU, Canada, Turkey, Papua New Guinea and Mexico, for the EIG, supported the creation of new market mechanisms. Most of them highlighted the need for these new mechanisms to be extended beyond the project-based level to sectoral, policy-wide or NAMA crediting levels. Saudi Arabia, China and Brazil opposed the creation of new market mechanisms and underscored that the existing Protocol mechanisms are sufficient.

On **possible principles to guide new market mechanisms**, parties proposed, *inter alia*: avoiding double counting of developed countries’ financial and mitigation commitments; ensuring complementarity and environmental integrity; promoting sustainable development and private investment; and going beyond mere offsetting and ensuring net mitigation benefits.

Sub-paragraph 1(b)(vi) of the BAP: On 9 June, the AWG-LCA contact group considered economic and social consequences of response measures, focusing on questions by the AWG-LCA Chair (http://maindb.unfccc.int/library/view_pdf.pl?url=http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/awg-lca_response_measures.pdf).

On **scope**, Sierra Leone, for the African Group, Saint Vincent and the Grenadines, for AOSIS, and others identified the need to focus on the most vulnerable countries, including Africa, the LDCs and SIDS. Saudi Arabia and Algeria stressed all developing countries must adapt to spillover effects and, opposed by the African Group, AOSIS, the US and the EU, supported inclusion of response measures under adaptation.

On **establishing a forum under the COP**, many developing countries supported a permanent forum to address impacts of response measures. Turkey supported the establishment

of a new forum while enhancing existing channels, such as national communications. Many developed countries opposed establishment of new institutions and, with Mexico, supported use of national communications and supplemental information to deepen understanding.

On *climate-related trade discrimination*, many developing countries called for prohibiting unilateral climate-related trade measures, such as tariffs or non-tariff fiscal measures applied at the border. The US, Singapore and Japan indicated that Convention Article 3.5 (open international economic system) adequately addresses trade concerns.

ADVANCE DRAFT OF A REVISED CHAIR'S

NEGOTIATING TEXT: During the AWG-LCA closing plenary on 11 June, AWG-LCA Chair Mukahanana-Sangarwe reported on informal consultations on finance, markets, a shared vision, adaptation and technology. She explained that Mexico, as the President of COP 16, had also consulted on the legal form of the outcome, saying that more clarity is still needed and that Mexico will continue the consultations at future meetings. Mukahanana-Sangarwe noted that consultations would also continue on the proposals to find a "common space" between the AWG-KP and AWG-LCA. She also noted consultations on a proposal to request the Secretariat to compile submissions on quantified emissions targets and NAMAs.

Mukahanana-Sangarwe then presented the advance draft of a revised Chair's text (http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/awg-lca_advance_draft_of_a_revised_text.pdf), noting that she did not wish to have discussion on the text at this session and that the draft would be further revised before AWG-LCA 11.

Many parties commented on the advance draft of the revised negotiating text in their closing statements. Yemen, for the G-77/China, expressed dismay with the text, saying that it "is unbalanced," due to the removal of the G-77/China's proposals. Lesotho, for the LDCs, expressed concern that the new text does not adequately reflect parties' views on finance. Grenada, for AOSIS, lamented deletion of references to LDCs, SIDS and Africa. She said the text "appears to have made decisions prematurely," including by prejudicing the Protocol's future and reflecting the "pledge-and-review" approach rather than the science-based approach to setting the aggregate emission reduction range. The Democratic Republic of the Congo, for the African Group, and Panama, for the Central American Integration System, lamented that the Chair's new text does not reflect views expressed by the parties. The African Group highlighted this in particular relating to developing countries' mitigation actions, and on issues of equity and comparability.

Colombia described the section on finance as "unacceptable" because the vulnerability criteria apply only to the LDCs and SIDS. Iran stressed the need to respect the two-track negotiating process and address the building blocks of the BAP in an equitable manner. Indonesia called for a clear distinction between sub-paragraphs 1(b)(i) and 1(b)(ii) of the BAP. China stated that the revised text "deviated from the BAP by 50%," called into question the continuation of the Kyoto Protocol and did not address the issue of comparability of mitigation efforts by developed countries. Venezuela emphasized that a subsequent revision of the text must contain clearly delimited options from all parties, especially from the G-77/China. Egypt

stated that the revised text should be considered as a non-paper, emphasizing that it "paves the way for the gradual death of the Kyoto Protocol" and imposes new and additional obligations on developing countries instead of new and additional financing obligations on developed countries. Pakistan lamented that MRV of developing countries' actions has been made "more onerous" and that the draft imposes emission reduction obligations on developing countries. Malaysia drew attention to reference to peaking of emissions, which also relates to developing countries, and described the ICA provisions as "onerous" for developing countries. India expressed concern with the appearance of unbracketed paragraphs in the text and the absence of reference to equity and a burden-sharing paradigm. Thailand and Qatar noted that the text was unbalanced. Qatar called for a new draft of the text. Saudi Arabia called for a major restructuring of the non-paper "to avoid a larger discussion in August" and cautioned against selectively unbracketing text. Bolivia noted the absence of his proposals in the text, referring to the text as "Copenhagen +." The Gambia expressed concern that long-term finance and references to LDCs and SIDS were not reflected in the text. Nicaragua called for the revised text to continue with the two-track process.

Although welcoming a clearer structure, the Russian Federation stated that the text was not balanced and highlighted "serious problems regarding sources of finance" and lack of consideration of countries with economies in transition. Singapore described the revised text as "far from perfect," and lacking clarity over legal form. He emphasized that textual proposals should not undermine the two-track process and continuation of the Protocol.

The US noted "unacceptable" elements in the draft text, such as elements from the Kyoto Protocol, as well as key omissions, noting that the text moves away from the agreement in Copenhagen. He called for stronger text on MRV and ICA, noting that there is no presumption that the text can be used as a draft going forward.

The Philippines lamented the lack of emphasis on the continuation of the Protocol and differentiation between MRV by developed and developing countries in the new text. Malawi called for differentiated treatment for the LDCs, SIDS and Africa in accordance with the BAP. Afghanistan supported reflecting vulnerabilities of land-locked mountainous countries. Iraq lamented that the new text departs from the Convention and the BAP. Despite their criticism of the text, many developing countries did stress their support for the AWG-LCA Chair and acknowledged that she had prepared the advance draft of the revised negotiating text in good faith.

CLOSING PLENARY: The AWG-LCA closing plenary first convened in the morning on 11 June 2010. Speaking for the COP Bureau, Mexico expressed regret at incidents, which occurred on Thursday at the conference venue and involved misuse of a country flag, strongly condemning such acts and thanking the Secretariat for launching an investigation. Yemen, for the G-77/China, Australia, for the Umbrella Group, Spain, for the EU, Grenada, for AOSIS, the Democratic Republic of the Congo, for the African Group, and many others deeply regretted the serious incident. Lebanon, Kuwait, Oman, Jordan and others stressed that the incident was particularly offensive as Saudi Arabia's flag contains religious symbols. Many parties urged the Secretariat to

investigate the incident and report the results at the next session. China drew attention to incidents after Copenhagen where newspapers reported information from closed informal meetings. He stressed the UN's strict rules on participation in such meetings and called on the Secretariat to investigate this incident.

Saudi Arabia expressed deep gratitude to all parties for their support and solidarity after the act against their flag on Thursday. He stressed the need to avoid such incidents and highlighted that such acts will not make any country change its position. Saudi Arabia said they looked forward to the results of the investigation.

The Climate Action Network, for civil society, stressed the importance of mutual respect and highlighted civil society's respect for the UNFCCC process. She said emotions seemed to have run too high after debates about survival but expressed trust that the incident would not divert parties' attention from the main task. She emphasized that civil society will continue its full and active engagement in the process.

The plenary was then suspended at the request of the G-77/China before closing statements. The plenary resumed to hear the closing statements at 3:30 pm.

Yemen, for the G-77/China, stressed the need for adequate time for coordination during future sessions. Australia, for the Umbrella Group, called for an "effective package in Cancún" and supported an environmentally-effective and legally-binding post-2012 regime that includes mitigation actions from all major economies and reflects a robust transparency framework. The Umbrella Group also drew attention to the Group's joint statement on nature and scale of fast-track financing, highlighting that it "represents billions of dollars." Spain, for the EU, noted progress during the session, but expressed concern at the slow pace of the discussions, particularly on mitigation. She highlighted commitment to fast-start financing and urged a balanced discussion between the AWG-LCA and AWG-KP. Lesotho, for the LDCs, highlighted that priority must be given to adaptation. Grenada, for AOSIS, urged more intensive and focused negotiations in August and expressed satisfaction with progress on finance.

Switzerland, for the EIG, recognized positive interaction between delegates and expressed hope that the cooperative spirit will continue. Kyrgyzstan, for the Group of Mountainous Land-locked countries, including Armenia, Kyrgyzstan and Tajikistan, announced the establishment of this new group to raise awareness under the UNFCCC of the challenges faced by mountainous land-locked countries, and invited other countries with similar challenges to join the group.

Peru, for the Group of Latin American and Caribbean Countries (GRULAC), called for the prioritization of actions for funding technology transfer and capacity building for climate change adaptation, and expressed appreciation for the appointment of Christiana Figueres as the incoming UNFCCC Executive Secretary. Venezuela underscored the desire to adopt a legally-binding agreement in Cancún. Bangladesh called for the equal treatment of adaptation and mitigation actions, and highlighted the urgency of delivering fast-start funding for capacity building and REDD+ preparedness. Guatemala called for the consideration of countries most vulnerable to climate change, particularly with respect to adaptation, finance, technology transfer and capacity building.

Turkey said the meeting has restored confidence among the parties and highlighted the need to consider financial resources and sustainable development. The Marshall Islands noted the need for political engagement on the final architecture. Japan called for a fair, effective, comprehensive and legally-binding framework and underscored that fast-start financing is on track.

Parties adopted the meeting's report (FCCC/AWGLCA/2010/L.3). AWG-LCA Chair Mukahanana-Sangarwe thanked parties for their support and declared the meeting closed at 5:45 pm.

AD HOC WORKING GROUP ON FURTHER COMMITMENTS BY ANNEX I PARTIES UNDER THE KYOTO PROTOCOL

The twelfth session of the *Ad Hoc* Working Group on Further Commitments by Annex I Parties under the Kyoto Protocol (AWG-KP) opened on 1 June, with John Ashe (Antigua and Barbuda) as Chair, Harald Dovland (Norway) as Vice-Chair and Miroslav Spasojevic (Serbia) as Rapporteur.

AWG-KP Chair Ashe appealed to parties to enter into negotiations with "renewed vigor and goodwill." He explained that the focus during this session will be on the scale of Annex I parties' individual and aggregate emission reductions, and that work will continue on other issues, particularly LULUCF and the flexibility mechanisms. Parties adopted the agenda and the organization of work (FCCC/KP/AWG/2010/4-5).

Yemen, for the G-77/China, expressed concern at slow progress and urged Annex I parties to raise the level of ambition in their current mitigation pledges. Spain, for the EU, highlighted the need to make progress on technical issues in order to guarantee the environmental integrity of the outcome in Cancún. Emphasizing synergies between the two AWGs, she urged exploration of common concerns. The Democratic Republic of the Congo, for the African Group, lamented some parties' lack of commitment to the Kyoto Protocol's future. Lesotho, for the LDCs, stressed that the Protocol has established the institutional and governance structures that "are and must remain at the heart of the climate regime." Australia, for the Umbrella Group and Belarus, stressed the need to improve understanding and increase the transparency of all mitigation commitments in the Copenhagen Accord and urged working in tandem with the AWG-LCA. Peru, also speaking for Colombia, Costa Rica, Chile, the Dominican Republic, Guatemala, Panama and Uruguay, urged agreement on a second commitment period as soon as possible to avoid critical increases in global temperatures.

Switzerland, for the EIG, identified the need to, *inter alia*: raise the ambition of Annex I targets; enhance the Clean Development Mechanism (CDM) and carbon market; and consider carryover of Assigned Amount Units (AAUs). Japan reiterated the call for a fair and effective international framework in which all major emitters participate. He said coordinated discussions with the AWG-LCA are "absolutely essential" and requested the AWG-KP Chair to update parties on the status of his discussions with the AWG-LCA Chair.

Election of Officers: This issue was first taken up on 1 June, with AWG-KP Chair Ashe explaining that consultations on the election of officers have not been completed and that in accordance with the draft rules of procedure being applied, the current officers will remain in place until elections take place.

During the AWG-KP closing plenary on 11 June, John Ashe (Antigua and Barbuda) was re-elected as Chair of the AWG-KP, Adrian Macey (New Zealand) was elected as Vice-Chair, and Miroslav Spasojevic (Serbia) was re-elected as Rapporteur. During the closing plenary, the EU urged respecting the rules of procedure, in particular, regarding rotating chairmanship between Annex I and non-Annex I countries.

ANNEX I PARTIES' FURTHER COMMITMENTS: This issue was first considered by the AWG-KP opening plenary on 1 June, when AWG-KP Chair Ashe introduced the agenda item (FCCC/KP/AWG/2010/6 and Add. 1-5; FCCC/TP/2010/2; and FCCC/KP/AWG/2010/INF.1). Parties agreed to establish contact groups on Annex I emission reductions, co-chaired by Leon Charles (Grenada) and Jürgen Lefevere (European Union), and on other issues, including LULUCF, the flexibility mechanisms and basket of methodological issues, chaired by AWG-KP Vice-Chair Dovland. On 4 June, the AWG-KP plenary agreed to reconstitute the contact group on legal matters, co-chaired by Gerhard Loibl (Austria) and María Andrea Albán Durán (Colombia). AWG-KP Chair Ashe also conducted informal consultations on potential consequences of response measures.

Annex I emission reductions: On this issue (FCCC/KP/AWG/2010/6/Add.1), discussions focused on: how to raise the level of ambition of Annex I pledges; how to translate pledges into quantified emission limitation and reduction objectives (QELROs); and the relationship between Annex I commitments and: surplus AAUs; LULUCF; and the flexibility mechanisms.

Many parties, particularly developed countries, underscored the need to agree on technical issues relating to LULUCF rules and surplus AAUs, stressing that these rules affect the level of ambition. The Federated States of Micronesia, for AOSIS, with many other developing countries, stressed that the use of LULUCF and the flexibility mechanisms should aim to increase the level of ambition of the current pledges and not just to achieve the current pledges.

On *translating pledges into QELROs*, New Zealand, the Russian Federation, Australia and Japan indicated that pledges will not simply be translated into QELROs, but that QELROs will need to be negotiated at the political level. Colombia, supported by Grenada, the Philippines and Barbados, and opposed by Saudi Arabia, called for a joint discussion of emission reductions by all Annex I countries. Australia, supported by Japan and Norway, but opposed by Bolivia, Venezuela, Singapore, Sudan, Brazil and others, called for a broader discussion of the commitments of all countries. Intervening on a point of order, the US emphasized that they would oppose any effort to discuss their emission reductions in the context of Annex I emission reductions under the Kyoto Protocol.

The Secretariat presented a paper compiling pledges, related assumptions and associated emission reductions (FCCC/KP/AWG/2010/INF.1). The Secretariat also presented a technical paper on translating pledges into QELROs (FCCC/TP/2010/2). The EU, Switzerland and Norway, opposed by Japan, expressed an interest in exploring how the methodologies outlined in the technical paper would apply to actual pledges on the table. The Secretariat then prepared and presented two tables translating current pledges into QELROs, the first for a commitment period of eight years and the second for a commitment period

of five years. After a debate on whether or not to make the tables widely available, Switzerland proposed that all materials, including parties' presentations, should be published by the Secretariat in a "dedicated space" on their website. South Africa, supported by the EU, Norway, Bolivia, the Federated States of Micronesia and the Gambia, opposed by Japan and the Russian Federation, proposed taking these tables into consideration when updating document FCCC/KP/AWG/2010/INF.1. Many parties also expressed a preference for the values to be expressed in gigatonnes rather than percentages.

Describing offsetting as "a good deal for the atmosphere," the EU, with Norway, proposed a technical workshop to quantify the impacts of the different mechanisms.

In addition, the contact group held a joint session with the LULUCF spinoff group, to consider the overlap between LULUCF and the numbers. Parties considered: how LULUCF can help fill the gap between Annex I parties' level of ambition and the IPCC ranges; the possible contribution of LULUCF to meeting parties' QELROs, and whether such contribution should be open-ended, capped or vary according to parties' discretion; and what additional information is required regarding the role of LULUCF to enable agreement on Annex I targets. The Federated States of Micronesia suggested exploring the consequences of the various options regarding base year, LULUCF scenarios and treatment of surplus AAUs, together with their impacts on the desired environmental outcome.

On the *carryover of AAUs*, South Africa highlighted several options: allowing carryover of x% of AAUs; adopting stricter emission reduction targets to absorb the surplus; and putting AAUs in a strategic reserve. The Federated States of Micronesia also outlined a number of options, including: not allowing carryover; capping carryover; restricting carryover use; taxing transfer or acquisition of carryover AAUs; agreeing not to purchase surplus AAUs; adopting stricter emission reduction targets; and restricting use of acquired AAUs. Brazil and India supported capping carryover of AAUs. Norway said that, in principle, more ambitious targets are the best way to address surplus AAUs. Norway, Iceland, New Zealand, Switzerland, Uganda and the Russian Federation agreed that a workshop to explore options would be useful.

During the AWG-KP closing plenary, Co-Chair Lefevere noted that several parties have identified the need for a "common space" with other groups to work on important issues (these discussions have been summarized under the AWG-LCA item on sub-paragraph 1(b)(i) of the BAP; see page 7), and highlighted next steps, including: a workshop on the scale of emission reductions; the revision of the paper compiling pledges (FCCC/KP/AWG/2010/INF.1) and the technical paper translating pledges into QELROs (FCCC/TP/2010/2); and consideration of submissions and proposals made by parties.

Other Issues: LULUCF: This issue (FCCC/KP/AWG/2010/6/Add.2) was considered through a spinoff group facilitated by Marcelo Rocha (Brazil) and Peter Iversen (Denmark) and through joint discussions with the AWG-KP contact group on Annex I emission reductions. The key issues discussed included construction and transparency of reference levels, interannual variability, force *majeur* and harvested wood products.

Lesotho, for the LDCs, called for broadening the scope of eligible LULUCF activities under the CDM. China emphasized that conclusions should focus on improving the Protocol's environmental integrity and not "creating more loopholes." Some parties said they may be open to the use of reference levels. Many parties highlighted the need for transparency in accounting and some called for consideration of potential linkages between LULUCF rules and REDD+.

Brazil, for the G-77/China, outlined the G-77/China's proposal on constructing reference levels. She said parties would inscribe their reference levels in an annex and would then be required to submit a description of the elements used in their construction, followed by a period for revision. She proposed a review of reference levels starting in 2012 and of annual inventories, highlighting the need to ensure that accounting occurs with the same elements used in establishing reference levels. She called on parties to begin discussing elements of potential review guidelines. Noting problems of accurate, transparent and verifiable accounting of forest management activities, Tuvalu underscored that there are other accounting options.

Highlighting the challenge of identifying the impact of policy on reference levels, the G-77/China proposed a cap on forest management that is fixed for all parties, noting lack of agreement on a specific percentage. New Zealand questioned whether caps are necessary, given the transparent accounting in the G-77/China's proposal. The Russian Federation suggested that caps should only apply to forward-projection baselines.

Climate Action Network underscored the need to ensure that Annex I emissions decrease, suggesting that historical averages should be used as baselines. Parties discussed a non-paper on reference levels and agreed on the need for a new non-paper early in the next session. The AWG-KP also agreed to organize a workshop prior to AWG-KP 13 on forest management accounting and invited Annex I Parties to submit new data on expected use of LULUCF in the next commitment period.

Flexibility Mechanisms: On this issue (FCCC/KP/AWG/2010/6/Add.3), parties focused on ways to reduce the options in the text. They considered issues that had previously only received limited attention, including the share of proceeds and supplementarity. Parties also discussed whether there should be a requirement to use Certified Emission Reductions (CERs) from projects in certain host countries, with some parties stressing the need for preferential treatment for countries and regions that lack financial and technical capacity to access the CDM. Other issues discussed include: supplementarity; new market-based mechanisms; strengthening the share of proceeds, including by extending it to other mechanisms and increasing the amount deducted; and the inclusion of carbon capture and storage (CCS) under the CDM. No consensus was reached on any of the options in the text and parties were unable to further clean up the text.

During the AWG-KP closing plenary, AWG-KP Vice-Chair Dovland reported that as only minor changes were made to the text, there was no need to produce new text for AWG-KP 13.

Methodological Issues: This issue (FCCC/KP/AWG/2010/6/Add.4) was considered in informal consultations facilitated by AWG-KP Vice-Chair Dovland. Discussions focused on: inclusion of new GHGs; common metrics to calculate CO₂ equivalence of greenhouse gases and application of the 2006 IPCC Guidelines;

and the list of sectors and categories in Protocol Annex A. In particular, parties focused on clarifying technical issues relating to new GHGs.

During the AWG-KP closing plenary, AWG-KP Vice-Chair Dovland reported that, in his opinion, parties now have sufficient information on new GHGs and on options for common metrics, to make a decision. He said no textual changes were made and documentation will not be revised ahead of AWG-KP 13.

Legal Issues: On this issue, discussions focused on options to address a possible gap between commitment periods, the implications of a gap on Protocol institutions, a proposed paper and defining the gap. The Secretariat explained that, in light of the relevant provisions of the Kyoto Protocol, avoiding a gap between the first and second commitment periods requires that three-quarters of Protocol parties deposit their ratification instruments by 3 October 2012.

On *options*, Tuvalu noted three options to prevent a gap: accelerating negotiations; amending the Protocol to make the provisions on the entry into force of amendments less onerous; and provisional application of amendments. Australia said that provisional application might be problematic due to domestic constraints. China noted that there are limited practical options available at this point, other than political willingness to accelerate negotiations, because both changing the entry into force requirements and provisional application require amendment, subject to the current rules on entry into force. Singapore asked about the nature of legal obligations in the case of provisional application. The Secretariat said a COP/MOP decision could be considered an expression of willingness to be bound in international law. The EU noted the constitutional complications for some countries posed by provisional application.

On *implications*, Tuvalu and Brazil highlighted legal implications of a gap for the flexibility mechanisms, in particular the CDM, and other institutional arrangements in the Marrakesh Accords. The EU expressed interest in further examining the CDM question. Several parties noted that the Kyoto Protocol will continue to exist regardless of agreement on additional commitment periods.

Parties agreed to request the Secretariat to prepare a paper identifying legal options available, aimed at ensuring that there is no gap between the first and subsequent commitment periods, as well as the legal consequences and implications of a possible gap.

Potential consequences of response measures: This issue was considered in informal consultations facilitated by AWG-KP Chair Ashe. Discussions focused on whether to establish a permanent forum to address potential consequences. No agreement on this issue was reached, with some parties expressing reluctance to discuss the issue as it is being discussed under the AWG-LCA and a joint SBI/SBSTA contact group. The AWG-KP plenary on 11 June agreed to further consultations at its next session.

Negotiations on the AWG-KP Conclusions: During the second week of the meeting, AWG-KP Chair Ashe convened informal consultations on his proposed draft conclusions. During the AWG-KP closing plenary on 11 June, the Russian Federation underscored "serious problems" with the conclusions,

particularly regarding the proposal to organize a technical workshop on the scale of emission reductions, as well as regarding the conclusions of the legal group.

The EU reiterated the need for maintaining the balance between the AWG-KP and AWG-LCA processes, saying they are not willing to accept an “unbalanced” outcome in Cancún. He emphasized detailed discussions on numbers, rules and a legal format within the AWG-KP, and that the AWG-LCA “has not even started” these discussions. Japan called for “a broad approach” considering mitigation by both developed and developing countries. Supported by Argentina, South Africa and Brazil, for the G-77/China, Tuvalu noted that parties have different views on progress, expressing concern at the slow progress in the AWG-KP compared to the AWG-LCA. The G-77/China supported the proposed draft conclusions as “a measure of progress after four years of very little progress.”

The AWG-KP closing plenary was suspended twice for informal consultations facilitated by Adrian Macey (New Zealand), who reported that concerns expressed by the Russian Federation could be addressed by amending the text, while Japan’s concerns could not be easily addressed, as they related to the work of the AWG-LCA. Tuvalu, the EU, China, Belarus, Saudi Arabia and others urged continuing consultations. China, Bolivia and Venezuela called for considering the issue in plenary instead of in informal consultations. Nigeria, India and Egypt expressed concern at Annex I countries’ linking progress under the AWG-KP to progress under the AWG-LCA. Following further consultations and discussions in the plenary, parties reached consensus late in the evening.

AWG-KP Conclusions: In its conclusions (FCCC/KP/AWG/2010/L.4), the AWG-KP requests the Secretariat to, *inter alia*:

- organize an in-session workshop during AWG-KP 13, on Annex I parties’ aggregate and individual emission reductions, which should include discussions exploring a possible enhanced scale of emission reductions;
- organize a pre-session workshop before AWG-KP 13 on forest management accounting; and
- prepare a paper identifying and exploring legal options, aimed at ensuring that there is no gap between the first and subsequent commitment periods, as well as the legal consequences and implications of a possible gap.

The AWG-KP also requests parties to submit:

- proposals to address the implications of the other issues for Annex I parties’ aggregate and individual emission reductions;
- available new data and information on their expected use in the next commitment period, of LULUCF, the flexibility mechanisms, the expected carryover of AAs and related assumptions; and
- views on proposed Protocol amendments under Article 3.9 (FCCC/KP/AWG/2010/6/Add.1), with a view to facilitating the updating of the document at least two weeks before AWG-KP 14.

CLOSING PLENARY: Having completed the consideration of the agenda item on Annex I parties’ further commitments late on Friday evening, parties adopted the meeting report (FCCC/KP/AWG/2010/L.3). Thanking departing AWG-KP Vice-Chair

Dovland and Claudio Forner from the Secretariat for their work under the AWG-KP, AWG-KP Chair Ashe closed the meeting at 10:01 pm.

SUBSIDIARY BODY FOR IMPLEMENTATION

SBI 32 opened on 31 May with Robert Owen-Jones (Australia) as the Chair, Samuel Ortiz Basualdo (Argentina) as the Vice-Chair and Kadio Ahossane (Côte d’Ivoire) as the Rapporteur. In the morning, Owen-Jones suggested, and parties agreed, to provisionally apply the agenda while he consulted informally on the sub-item on information contained in non-Annex I national communications. Yemen, for the G-77/China, stressed that there was no agreement to include the item on the agenda. In the afternoon, parties adopted the agenda (FCCC/SBI/2010/1) with the sub-item on information contained in non-Annex I national communications held in abeyance. For a summary of the opening statements, see: <http://www.iisd.ca/vol12/enb12462e.html>.

ANNEX I NATIONAL COMMUNICATIONS AND GHG INVENTORY DATA: Report on national GHG inventory data for the period 1990-2007:

This issue was first addressed by the SBI plenary on 31 May. It was then considered in a contact group and informal consultations co-chaired by William Agyemang-Bonsu (Ghana) and Makio Miyagawa (Japan). The Secretariat presented the report on Annex I national GHG inventory data for 1990-2007 (FCCC/SBI/2009/12). China, for the G-77/China, expressed “deep concern” that emissions have increased in many developed countries during the period.

No agreement was reached and consideration of these issues will continue at SBI 33.

Status of submission and review of fifth national communications and date of submission of sixth national communications:

These two agenda sub-items (FCCC/SBI/2010/INF.1 and FCCC/SBI/2010/INF.9) were first addressed by the SBI plenary on 31 May. They were then considered in the contact group co-chaired by Agyemang-Bonsu and Miyagawa.

Key issues discussed included whether to take note of relevant deliberations within other processes and the date of submission of sixth national communications. China, for the G-77/China, supported by Brazil and Bolivia, suggested 1 July 2011 as the date for Annex I sixth national communications. New Zealand, with the EU, US and Australia, said submission in 2011 is not acceptable.

No agreement was reached and consideration of these issues will continue at SBI 33.

NON-ANNEX I NATIONAL COMMUNICATIONS:

Consultative Group of Experts on Non-Annex I National Communications (CGE): This issue (FCCC/SBI/2010/INF.2) was considered by the SBI plenary on 31 May. It was then considered in the contact group co-chaired by Agyemang-Bonsu and Miyagawa. On 9 June, the SBI adopted conclusions.

Key issues discussed included whether: all or only Annex II parties should be encouraged to provide financial resources to the CGE; the CGE should be responsive to, or take into consideration, current or future needs of non-Annex I countries and COP decisions; and to prioritize one or several of the mandates given to the CGE in the annex to decision 5/CP.15 (work of the CGE).

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.18), the SBI, *inter alia*: encourages Annex II parties, and other parties in a position to do so, to provide financial and technical assistance; and invites the CGE to take into account non-Annex I parties' current or future needs and relevant COP decisions.

Further implementation of Convention Article 12.5 (frequency of national communications): This issue was first addressed by the SBI plenary on 31 May. It was then considered in the contact group co-chaired by Agyemang-Bonsu and Miyagawa.

Brazil, for the G-77/China, stressed the need to take into account the principle of common but differentiated responsibilities, highlighting that non-Annex I countries should not have stricter national communications obligations than Annex I countries. He stressed a linkage to the item on financial and technical support. The US said capacity building is enhanced by more frequent national communications and the EU stressed the importance of establishing and maintaining national teams to initiate learning processes.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.20) adopted on 9 June, the SBI decides to continue consideration of this issue at SBI 33.

Financial and technical support: This issue (FCCC/SBI/2010/INF.3) was first addressed by the SBI plenary on 31 May. It was then considered in the contact group co-chaired by Agyemang-Bonsu and Miyagawa. On 9 June the SBI adopted conclusions.

The GEF provided information on financial support for non-Annex I national communications (FCCC/SBI/2009/INF.11 and FCCC/SBI/2010/INF.3). Brazil, for the G-77/China, noted that although improvements have been achieved, the GEF has not been "very responsive" to concerns of developing countries. Saudi Arabia, supported by Kuwait, Iran and Oman, expressed surprise at the GEF's decision to stop financial support for national communications for some non-Annex I countries, particularly the oil producing ones, stressing the need to resolve the issue at this session. Sierra Leone, supported by Malawi, Timor-Leste and Algeria, said delays in finalizing national communications are often due to difficulties with the implementing agencies, and called for improved communication between the GEF and its implementing agencies. The US expressed sympathy with those having problems accessing funds, and said he is "extremely worried" about where resources put forward go to if they are not available to countries.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.17), the SBI:

- invites the GEF to provide "detailed, accurate, timely and complete information" on its activities and the outcomes of the fourth GEF Assembly; and
- notes that some non-Annex I parties expressed concerns about the way the GEF implementing agencies are disbursing funds for national communications, and that the funding is not adequate for some non-Annex I Parties.

FINANCIAL MECHANISM: This agenda item includes sub-items on the fourth review of the financial mechanism (FCCC/SBI/2009/MISC.10 & Add.1), the GEF's report (FCCC/CP/2009/9) and assessment of the Special Climate Change Fund (SCCF). It was first addressed by the SBI plenary on 31 May.

Zaheer Fakir (South Africa) and Sandrine de Guio (France) co-chaired a contact group and informal consultations. On 9 June, the SBI adopted conclusions.

Fourth review of the financial mechanism: China and Antigua and Barbuda, for AOSIS, expressed satisfaction with the GEF's fifth replenishment and called on contributing countries to expedite payments and for the GEF to streamline its project preparation and approval process. Nigeria, Ghana and the Maldives highlighted their participation in the study on investment and financial flows to address climate change and called for a follow-up of the study. Parties emphasized the urgency of concluding the fourth review by Cancún. The Philippines, for the G-77/China, underscored that the fourth review should be a full review of the financial mechanism and not just a review of the operating entity.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.15), the SBI decides to continue consideration of the issue based on draft text contained in the annex, with a view to recommending a draft decision to COP 16.

GEF report: During the SBI closing plenary, the Philippines, for the G-77/China, noted that the final report of the GEF was still awaited, to allow full consideration of the agenda item, which is closely related to the provision of financial resources.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.16), the SBI agrees to continue considering this issue at SBI 33 with a view to recommending a draft decision to COP 16. The SBI also invites the GEF to report on the outcome of its fifth replenishment.

Assessment of the SCCF: Norway proposed postponing the assessment of the SCCF since no reports or submissions by parties were available. In its conclusions (FCCC/SBI/2010/L.19), the SBI agrees to conclude its consideration of the issue at SBI 33.

CONVENTION ARTICLE 6 (education, training and awareness-raising): This issue (FCCC/SBI/2010/2, 3 and 9) was first considered by the SBI on 31 May. It was subsequently considered through a contact group and informal consultations chaired by Liana Bratasida (Indonesia). The SBI plenary adopted conclusions on 9 June.

Discussions focused on the intermediate review of the implementation of the New Delhi work programme, as mandated by decision 9/CP.13 (amended New Delhi work programme on Article 6 of the Convention). The Gambia, for the G-77/China, suggested requesting the Secretariat to compile and synthesize the outcomes and recommendations from the regional workshops held so far, together with the implementation of these outcomes and recommendations. The EU suggested inviting parties to provide funding for the regional workshops yet to be held. Ukraine urged that the implementation of Convention Article 6(b)(ii) (development and implementation of education and training programmes) should be extended to countries with economies in transition. Nepal called for extending the work programme for at least five years. Youth urged parties to adopt a proper review process and proposed, *inter alia*: giving the Secretariat a broad mandate to conduct the review in an inclusive manner and provide sufficient financing for the Secretariat to organize regional workshops in Africa and the LDCs. The US announced that it will partially finance the two outstanding regional workshops for Africa and SIDS.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.5), the SBI, *inter alia*:

- invites parties to provide financial resources for the organization of thematic regional workshops and for the full-scale implementation of the information network clearing house (CC:iNet);
- endorses the terms of reference for the intermediate review of progress in the implementation of the New Delhi work programme, as contained in the annex to the conclusions; and
- invites submissions by 16 August 2010, on information and views that may be relevant to the completion of the intermediate review.

MATTERS RELATING TO CONVENTION ARTICLES

4.8 AND 4.9: Implementation of decision 1/CP.10 (Buenos Aires programme of work): This issue (FCCC/SBI/2010/MISC.1) was considered by the SBI plenary on 31 May. It was subsequently considered through a contact group and informal consultations chaired by SBI Vice-Chair Samuel Basualdo. The SBI plenary adopted conclusions on 9 June.

During the first contact group meeting on 3 June, SBI Chair Owen-Jones introduced the draft decision text that SBI 30 had requested the SBI Chair to prepare. Saudi Arabia expressed concern that elements of the G-77/China's position were not reflected in the text. The Cook Islands, for AOSIS, emphasized that the text should focus on implementation on the ground. With Australia and Burkina Faso, she also requested reference to particularly vulnerable states, including SIDS and LDCs. Australia and Spain, for the EU, emphasized that the document should acknowledge that implementation is already occurring. In its conclusions (FCCC/SBI/2010/L.7), the SBI agrees to continue discussions at SBI 33 based on the draft decision text annexed to the conclusions.

LDCs: This issue (FCCC/SBI/2010/5) was first considered by the SBI plenary on 31 May. It was subsequently taken up in informal consultations facilitated by Rence Sore (Solomon Islands). The SBI adopted conclusions on 9 June.

Discussions focused on: extension of the mandate of the LDC Expert Group (LEG); implementation of national adaptation programmes of action (NAPAs); and consideration of other issues in the LDC work programme. Bangladesh, for the G-77/China, called for the full implementation of NAPAs and the LDC work programme. Nepal, Timor-Leste, Burkina Faso and Sierra Leone stressed the need to extend the mandate of the LEG.

During the SBI closing plenary on 9 June, Lesotho, for the LDCs: appealed to Annex II parties to increase their contributions to the LDC Fund (LDCF); stressed that the LDCF is expected to support other elements of the LDC work programme in addition to the preparation and implementation of NAPAs; and expressed disappointment that there is no reference to this in the conclusions.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.2/Rev.1), the SBI:

- invites the LEG, in collaboration with the GEF and its agencies, to continue to assist LDCs to complete their NAPAs as soon as possible;
- requests the Secretariat to prepare a report on the regional training workshops on the implementation of NAPAs;
- requests the LEG to provide information on the need to revise and update NAPAs, as well on the required resources; and

- invites parties in a position to do so to continue to provide resources.

TECHNOLOGY TRANSFER: The item (FCCC/SBI/2010/INF.4, FCCC/SBI/2010/INF.6, and FCCC/SB/2010/INF.1) was first considered by the SBI plenary on 31 May. It was then referred to a joint SBI/SBSTA contact group and informal consultations, co-chaired by Carlos Fuller (Belize) and Ronald Schillemans (the Netherlands). The SBI adopted conclusions on 9 June.

Japan stressed the importance of strengthening the Expert Group on Technology Transfer's (EGTT) ties with alliances that include the private sector, such as the Climate Technology Initiative. The US welcomed efforts undertaken both bilaterally and multilaterally, and inside and outside the Convention. Australia encouraged enhanced engagement with the private sector. The Philippines expressed hope that the work done by the EGTT will not undermine the negotiations on the implementation of the BAP.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.3), the SBI:

- endorses the EGTT's updated work programme and requests it to focus on areas with convergence on discussions under the AWG-LCA;
- requests the EGTT to elaborate upon options for the operation modalities of the proposed technology executive committee and the proposed climate technology center and climate technology network; and
- invites the GEF to provide half-yearly progress reports on the implementation of activities receiving support under the Poznań strategic programme on technology transfer.

CAPACITY BUILDING (CONVENTION): This issue (FCCC/SBI/2009/4, 5 and 10, FCCC/SBI/2009/MISCs.1, 2, 8 and 12) was first considered by the SBI plenary on 31 May. It was referred to contact group and informal consultations co-chaired by Philip Gwage (Uganda) and Marie Jaudet (France). The SBI adopted conclusions on 9 June.

The objective of discussions was to conclude the second comprehensive review of the capacity-building framework and finalize a draft decision on the outcome of the review, for adoption by COP 16. Both the G-77/China and the EU submitted proposals for a draft COP decision. Outlining their proposal, Tanzania, for the G-77/China, highlighted, *inter alia*: an expert group on capacity building; a plan of action for implementation of the capacity-building framework; and performance indicators to monitor and evaluate the implementation of the framework. The EU highlighted, *inter alia*: enhanced reporting of capacity building best practices through national communications, in order to enable monitoring and evaluation of the implementation of the capacity-building framework; and the indicative list of items to consider for further implementation of decision 2/CP.7 (capacity building in developing countries).

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.11), the SBI agreed to continue considering the item at SBI 33, based on the annexed draft text, with a view to recommending a draft decision for adoption by COP 16.

CAPACITY BUILDING (PROTOCOL): This issue (FCCC/SBI/2009/4-5; FCCC/SBI/2009/MISCs 1-2, 8 and 12; FCCC/KP/CMP/2009/16 and FCCC/SBI/2009/10) was considered by the SBI plenary on 31 May. It was referred to contact group and informal consultations co-chaired by Gwage and Jaudet.

The objective of discussions was to conclude the second comprehensive review of the capacity-building framework and finalize a draft decision on the outcome of the review, for adoption by COP/MOP 6. Tanzania lamented that only a few developing countries were enjoying the benefits from the CDM.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.12) adopted on 9 June, the SBI decided to continue consideration of the item at SBI 33, based on the annexed draft text, with a view to recommending a draft decision on this subject for adoption by COP/MOP 6.

REVIEW OF THE ADAPTATION FUND: This issue (FCCC/SBI/2010/MISC.2 and FCCC/SBI/2010/7) was first addressed by the SBI plenary on 31 May. It was referred to a contact group co-chaired by Ruleta Camacho (Antigua and Barbuda) and Jukka Uosukainen (Finland). The SBI adopted conclusions on 9 June.

Discussions focused on the draft terms of reference (TORs) for the review of the AF. Views differed particularly on whether working arrangements of the AF Board should be included in the review, with some parties indicating that it was too early, as no funds have yet been disbursed. In the SBI closing plenary, Spain, for the EU, emphasized that it was important for COP/MOP 6 to consider temporary provisions. Yemen, for the G-77/China, lamented the lack of a clear outcome.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.13), the SBI indicates that parties considered, but could not fully capture, additional issues suggested for inclusion in the TORs; identifies the need for COP/MOP 6 to consider the interim institutional arrangements of the AF; and recommends that COP/MOP 6 consider reviewing all matters related to the AF at COP/MOP 7 and that COP/MOP 6 take measures to facilitate this process. The SBI also forwarded draft TORs for the initial review of the AF.

PROTOCOL ARTICLE 3.14 (adverse effects and impacts of response measures): This issue was first taken up by the SBI plenary on 31 May, with SBI Chair Owen-Jones noting that its consideration will continue based on text contained in Annex I of the SBI 31 report. It was subsequently considered through a joint SBI/SBSTA contact group and informal consultations co-chaired by Andrew Ure (Australia) and Eduardo Calvo Buendía (Peru). The SBI plenary adopted conclusions on 9 June.

The key issues discussed included whether the issue is one of concern to all parties, of special concern to parties mentioned in Convention Articles 4.8 and 4.9, or to particularly vulnerable countries, including Africa, SIDS and LDCs. Parties did not reach agreement on the substance or how to capture discussions during the session. They agreed to use the draft decision texts proposed by the Co-Chairs at the beginning of the meeting as the basis for further work.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.14), the SBI agrees to set up a joint SBI/SBSTA contact group to discuss the SBSTA agenda item on Protocol Article 2.3 (adverse

impacts of policies and measures) and the SBI agenda item on Protocol Article 3.14. The SBI also agrees to resume discussions based on the draft text contained in the annex.

ANNUAL COMPILATION AND ACCOUNTING REPORT BY PROTOCOL ANNEX B PARTIES: This issue (FCCC/KP/CMP/2009/15 and Add.1) was first addressed by the SBI plenary on 31 May. It was referred to the contact group co-chaired by Agyemang-Bonsu and Miyagawa.

The Secretariat introduced the main findings of its second report and said the next report will be presented to COP/MOP 6 in Cancún. The SBI did not reach conclusions on this issue and consideration of the issue will continue at SBI 33.

PROTOCOL AMENDMENT WITH RESPECT TO COMPLIANCE: This issue (FCCC/KP/CMP/2005/2) was considered by the SBI plenary on 31 May when parties agreed that SBI Chair Owen-Jones would draft conclusions. On 9 June, the SBI plenary decided to forward the item for consideration by SBI 33.

KAZAKHSTAN'S PROPOSAL TO BE INCLUDED IN ANNEX B: This item relates to Kazakhstan's proposal to be included in Protocol Annex B with a quantified emission reduction commitment of 100% of 1992 levels during the first commitment period. It was considered by the SBI plenary on 31 May and referred to informal consultations facilitated by Mark Berman (Canada). The SBI adopted conclusions on 9 June.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.6), the SBI, *inter alia*, concludes that COP/MOP 6 may want to concentrate on the legal and technical implications of this proposal, particularly in relation to the quantified emission reduction commitment and base year proposed by Kazakhstan. The SBI encourages interested parties to consult during the intersessional period, noting that Kazakhstan is "willing to demonstrate a flexible approach as regards choosing its base year and emission limitation or reduction commitment."

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: This item (FCCC/SBI/2010/8) was first considered by the SBI plenary on 31 May. It includes agenda sub-items on COP 16, COP/MOP 6, future sessional periods, organization of the intergovernmental process and observer organizations. It was then referred to a contact group and informal consultations chaired by SBI Chair Owen-Jones. The SBI adopted conclusions on 9 June.

Discussion focused on: organization of the intergovernmental process for COP 16 and a possible intersessional high-level segment; and the participation of observers.

Papua New Guinea outlined a proposal for convening an open-ended ministerial level session before COP 16 to deal with "crunch issues," stressing that a high-level session is a precondition for achieving a successful outcome in Cancún. After discussion, parties agreed to indicate that the SBI "further invited the Bureau and incoming Presidency to make arrangements for the organization of the high-level segment."

On the participation of observer organizations, UNFCCC Executive Secretary de Boer outlined plans for pre-meeting online registration and said two projects would be initiated, one on streamlining and improving stakeholder participation and the other to draw together best practices on stakeholder involvement from the UN system. The International Trade Union Confederation, for Environmental NGOs (ENGOS),

Youth, Women and Gender, and Local Governments and Indigenous Organizations underscored that the full and effective participation of civil society provides legitimacy to the UNFCCC process and called for guidelines on civil society participation to be revised before COP 16.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.21), the SBI, *inter alia*, agrees to consider organizing a high-level session between SBI 32 and COP 16 and COP/MOP 6. The SBI stresses the importance of transparency and inclusiveness in the lead-up to and during COP 16 and COP/MOP 6. The SBI expresses gratitude to the Government of China for its offer to host AWG-KP 14 and AWG-LCA 12. The SBI requests the Secretariat, in collaboration with the host government, to seek interim solutions until the opening of the new conference facilities in Bonn, in order to accommodate the growing number of participants. It notes the ongoing consultations with regard to hosting COP 18 and COP/MOP 8, with a view to a decision being taken at COP 16 on this matter.

The SBI welcomes the continued interest by observer organizations, noting that the UNFCCC process now covers all nine major groups in Agenda 21, and affirms the value of their engagement. The SBI notes information by Mexico on facilitating the participation of observer organizations at COP 16 and COP/MOP 6, and encourages hosts of future sessions to consider the need to facilitate the participation of all parties and admitted observer organizations.

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance for the biennium 2010-11: This item (FCCC/SBI/2010/INF.5) was introduced by UNFCCC Executive Secretary de Boer on 31 May. Mexico expressed concern that some parties have not complied with their commitments for 2010 and called on countries to make voluntary contributions. Parties agreed that the SBI Chair will draft conclusions.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.8) adopted on 9 June, the SBI, *inter alia*, urges parties that have not yet made their contributions to do so as soon as possible. It also urges parties to provide contributions to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities.

Implementation of the Headquarters Agreement: This item was first introduced in the SBI plenary on 31 May. Parties agreed that the SBI Chair will draft conclusions.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.10), adopted on 9 June, the SBI takes note of the statement that the construction of the new premises for the Secretariat in Bonn, Germany, is scheduled to be completed in two stages: the first stage by the end of 2011 and the second stage, which will include the construction of an additional building, in 2014. The SBI urges the German Government to ensure that the new conference facilities are completed as soon as possible and takes note of concerns expressed by the UNFCCC Executive Secretary that adequate premises could not be made available for the growing Secretariat to be accommodated “under one roof.”

Privileges and Immunities: This agenda item (FCCC/SBI/2009/8) was considered by the SBI plenary on 31 May. A contact group was chaired by Tamara Curll (Australia) and the SBI closing plenary adopted conclusions on 9 June.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.9), the SBI notes that the exchange of views by parties on this issue has, in conjunction with additional information provided by the Secretariat and the Office of Legal Affairs of the United Nations, further enhanced the understanding of the parties. The SBI also notes the progress made in developing the draft treaty arrangements contained in the annex and agrees to continue its consideration of this issue at SBI 33 on the basis of the text contained in the annex, with a view to concluding these arrangements as soon as possible.

Methodology for collection of International Transaction Log (ITL) fees: This issue (FCCC/TP/2010/1 and FCCC/SBI/2010/MISC.4) was first addressed by the SBI plenary on 31 May, and then considered in a contact group chaired by Toshiaki Nagata (Japan). On 9 June, the SBI adopted conclusions and a draft COP/MOP decision.

SBI Conclusions: In its conclusions (FCCC/SBI/2010/L.4), the SBI recommends a draft decision on the methodology for the collection of ITL fees in the biennium 2012–2013 for adoption by COP/MOP 6.

The draft COP/MOP decision (FCCC/SBI/2010/L.4/Add.1) recommends that the fees for the ITL paid by parties for the biennium shall be calculated by multiplying the scale of fees for that party by the budget for the ITL for biennium 2012-2013; and that if a party to the Kyoto Protocol with a QELRO that has not used the ITL decides to do so in the biennium 2012-2013, the scale of fees for the party shall be made equal to 130% of its Protocol adjusted scale for 2012-2013.

CLOSING PLENARY: The SBI closing plenary convened on 9 June 2010. Parties adopted the meeting report (FCCC/SBI/2010/L.1).

Yemen, for the G-77/China, underscored the need for agreed full-cost funding for non-Annex I national communications, lamented the lack of a clear outcome on the Adaptation Fund review and expressed hope that the fourth review of the financial mechanism would pave the way for the effective operation of funds.

Spain, for the EU, stated that the EU’s emissions in 2008 decreased domestically by 11.3% compared to 1990 levels and welcomed advances made on key elements such as adaptation, finance, national communications and Convention Article 6. Australia, for the Umbrella Group, highlighted the need to enhance the frequency and content of national communications, and expressed disappointment with the lack of conclusion on the fourth review of the financial mechanism.

Lesotho, for the LDCs, called for more contributions to the LDC Fund and encouraged the GEF to provide support for other elements of the LDC work programme. The Democratic Republic of the Congo, for the African Group, described finance, technology transfer and capacity building as issues on which “Africa expects the SBI to take decisive action” and called for the adoption of TORs for the review of the Adaptation Fund and for parties to respect a previous decision on the scope of the review.

SBI Chair Owen-Jones declared SBI 32 closed at 9:51 pm.

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

SBSTA 32 opened on 31 May with Mama Konaté (Mali) as Chair, Mihir Kanti Majumder (Bangladesh) as Vice-Chair and Purushottam Ghimire (Nepal) as Rapporteur. Parties adopted the agenda and agreed to the organization of work (FCCC/SBSTA/2010/1).

For a summary of the opening statements, see: <http://www.iisd.ca/vol12/enb12462e.html>

NAIROBI WORK PROGRAMME ON IMPACTS, VULNERABILITY AND ADAPTATION (NWP): This issue (FCCC/SBSTA/2010/INF.2; FCCC/SBSTA/2010/2-3 and 5) was considered by the SBSTA plenary on 31 May. It was referred to informal consultations co-facilitated by Kishan Kumarsingh (Trinidad and Tobago) and Donald Lemmen (Canada).

The key issues discussed included review, continuation and strengthening of the NWP. On 5 June, the Third Focal Point Forum under the NWP also took place, providing parties and NWP partner organizations a forum to discuss activities undertaken by NWP partners and to brainstorm on opportunities to capitalize on the success of the NWP. For a summary of the Focal Point Forum see: <http://www.iisd.ca/vol12/enb12466e.html>

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.6), adopted on 9 June, SBSTA, *inter alia*:

- welcomes the engagement by a wide range of organizations in the NWP and encourages them to further enhance their efforts through action pledges;
- recognizes the work of the NWP in advancing knowledge on adaptation, impacts and vulnerability; and
- invites parties and organizations to submit, by 16 August 2010, views on the effectiveness of the NWP to inform an informal meeting to consider outcomes of activities completed under the NWP.

TECHNOLOGY TRANSFER: This item was introduced in the SBSTA plenary on 31 May (FCCC/SB/2010/INF.1 and 3-4). The issue was then referred to a joint SBI/SBSTA contact group and informal consultations, co-chaired by Carlos Fuller (Belize) and Ronald Schillemans (the Netherlands). The SBSTA plenary adopted conclusions on 9 June.

SBSTA Chair Konaté reported that Bruce Wilson (Australia) and Nagmeldin Goutbi Elhassan (Sudan) had been appointed, respectively, as the Chair and Vice-Chair of the EGTT. Discussions in the contact group and informal consultations focused on: the EGTT report (FCCC/SB/2010/INF.1); the EGTT's TORs for a report on options to facilitate collaborative technology research and development (FCCC/SBSTA/2010/INF.4); the report on information required for using the performance indicators to support the review of implementation of Convention Articles 4.1(c) and 5 (FCCC/SBSTA/2010/INF.3); and the GEF's progress report on the Poznań strategic programme on technology transfer (FCCC/SBI/2010/4). A number of developed countries recommended accepting the EGTT's work programme as submitted. Argentina, supported by China, said that the TORs should not include contentious issues being discussed in the AWG-LCA and should focus on activities under the Convention. Argentina said the report on performance indicators demonstrates the need for a more straightforward approach to MRV.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.3), SBSTA:

- requests the EGTT, in undertaking these activities, to elaborate upon options for the operational modalities of the proposed TEC and TCN;
- endorses the TORs for a report by the EGTT on options to facilitate collaborative technology research and development; and
- agrees to bring forward the sixth regular meeting of the EGTT, which had been scheduled to take place in conjunction with SB 33, in order for the group to advance its work and finalize its reports in time for SB 33.

REDD: This issue was first taken up by the SBSTA plenary on 31 May. It was subsequently considered through informal consultations facilitated by Audun Rosland (Norway). The SBSTA adopted conclusions on 9 June.

The key issues discussed included coordination of activities and capacity building in relation to the use of IPCC guidance and guidelines. The Central African Republic, for the Commission des Forêts d'Afrique Centrale (COMIFAC), called for discussions on modalities for MRV and financing. Papua New Guinea and Guyana stressed that political discussions on REDD should be left to the AWG-LCA and that the SBSTA should consider capacity building and methodological issues. Climate Action Network, for ENGOs, encouraged the Chair to use delegations' scientists as "Friends of the Chair."

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.2), SBSTA:

- requests the Chair to explore ways to facilitate coordination of activities;
- encourages organizations and stakeholders to share information on activities on the UNFCCC web platform; and
- requests the Secretariat to increase the number of experts trained in the use of the IPCC guidance and guidelines and work with the IPCC on promoting the use of the IPCC Emission Factor Database and to enhance sharing of information by establishing a discussion forum on the UNFCCC web platform.

RESEARCH AND SYSTEMATIC OBSERVATION: This issue (FCCC/SBSTA/2010/MISCs.4 and 6) was first taken up by the SBSTA plenary on 31 May. It was referred to informal consultations co-facilitated by Sergio Castellari (Italy) and David Lesolle (Botswana). It was subsequently taken up in a dialogue on research activities relevant to the Convention, which took place on Thursday, 3 June. The SBSTA plenary adopted conclusions on 9 June.

The key issues discussed included the lack of submissions from parties and approaches to enhancing the interactions between scientific and political issues to widen the appeal of the topic. The IPCC highlighted work on the Fifth Assessment Report (AR5) and informed parties that the InterAcademy Council would finalize, in August, a report on IPCC processes and procedures in order to ensure an accountable and transparent process.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.8), SBSTA:

- agrees to continue the research dialogue at SBSTA 34;

- notes the need to further enhance interaction between scientific and policy communities by strengthening the research dialogue;
- requests the Secretariat to organize a workshop at SBSTA 34 to allow further consideration of issues addressed in the SBSTA 34 research dialogue; and
- invites research programmes and organizations to provide updated scientific information at SBSTA 33.

METHODOLOGICAL ISSUES (CONVENTION):

Emissions from international aviation and maritime transport:

This issue (FCCC/SBSTA/2010/MISC.5) was first taken up by the SBSTA plenary on 31 May. SBSTA Chair Konaté prepared draft conclusions on the issue, which were adopted on 9 June.

The International Maritime Organization (IMO) noted efforts by member states to develop and implement standards. He also emphasized progress in developing market-based mechanisms. The International Civil Aviation Organization (ICAO) highlighted progress on operational changes, market-based measures, assistance to developing countries, technology transfer and reporting of aviation fuel consumption.

Kuwait, Qatar, Saudi Arabia, Nigeria and Japan said ICAO and IMO are currently the best venues for addressing these issues. China, Uganda, Brazil, India and Argentina supported establishment of a contact group to discuss methodological issues and guidance of ICAO and IMO.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.9), SBSTA agrees to invite ICAO and IMO to continue to report at future sessions.

Revision of the reporting guidelines on Annex I annual inventories: This issue (FCCC/SBSTA/2010/MISC.1; FCCC/SBSTA/2010/4; and FCCC/SBSTA/2010/INF.5) was considered by the SBSTA plenary on 31 May, and subsequently through informal consultations co-facilitated by Riitta Pipatti (Finland) and Nagmeldin Goutbi Elhassan (Sudan). The key issues discussed included revised reporting guidelines and further analysis of harvested wood products (HWPs), wetlands, and emissions from soil.

- SBSTA Conclusions:** In its conclusions (FCCC/SBSTA/2010/L.12), adopted on 9 June, SBSTA, *inter alia*:
- requests the Secretariat to organize: a second workshop to address methodological issues relating to reporting when using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories in October 2010; and a third workshop in the first half of 2011;
 - invites the IPCC to organize an expert meeting to clarify methodological issues related to reporting on HWPs, wetlands and nitrous oxide emissions from soils;
 - agrees that revision of Annex I reporting guidelines should be based on the current guidelines; and
 - notes the need for capacity building to facilitate the use of the 2006 IPCC Guidelines.

HCFC-22/HFC-23: This issue was first taken up by the SBSTA plenary on 31 May. It was subsequently considered through informal consultations facilitated by Samuel Adejuwon (Nigeria). The SBSTA plenary adopted conclusions on 9 June.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.5), SBSTA agrees to request the Secretariat to

prepare a technical paper that includes new developments on HCFC-22/HFC-23 in other intergovernmental processes.

CCS under the CDM: This issue (FCCC/SBSTA/2010/MISC.2 and Add.1) was considered by the SBSTA plenary on 31 May. It was referred to informal consultations co-facilitated by Pedro Martins Barata (Portugal) and Andrea García Guerrero (Colombia). The SBSTA adopted conclusions on 9 June.

The key issues discussed included, *inter alia*: non-permanence, MRV, international law, insurance coverage, and project activity boundaries. Saudi Arabia, Norway, Australia, Kuwait, Japan, Egypt and Qatar expressed support for consideration of a draft decision on how to include CCS under the CDM. Benin, for the LDCs, supported by Barbados, Jamaica, the Federated States of Micronesia, Brazil, Zambia and Trinidad and Tobago expressed concern over including CCS under the CDM. Some parties stressed that parties should not mix their concerns over technical issues with market concerns.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.11), which include a draft COP/MOP decision, SBSTA agrees on the need to resolve outstanding issues and continue to consider the issue at SBSTA 33 with a view to adopting a decision at COP/MOP 6.

Inclusion of forests in exhaustion under the CDM: This issue was first taken up by the SBSTA plenary on 31 May. It was subsequently considered through informal consultations facilitated by Eduardo Sanhueza (Chile). In informal consultations, a party presented on the definition of lands with forests in exhaustion and answered questions on the implications of the inclusion of reforestation of these lands as CDM project activities. At the closing plenary, Facilitator Sanhueza reported that no agreement was reached and the issue will be taken up again at SBSTA 33.

Standardized baselines under the CDM: This issue (FCCC/SBSTA/2010/MISC.3/Rev.1) was first taken up by the SBSTA plenary on 31 May. It was subsequently considered through informal consultations facilitated by Peer Stiansen (Norway). The SBSTA plenary adopted conclusions on 9 June.

Issues discussed included the nature of the use of the baselines, whether mandatory or voluntary, and the benefits for those countries and regions not currently benefitting from the CDM. The EU highlighted the importance of standardized baselines in ensuring certainty, predictability and transparency under the CDM. Japan, Benin and South Africa supported the idea of standardized baselines, with South Africa adding that these should be used in conjunction with existing additionality tools. Japan noted that standardized baselines could improve the regional distribution of the CDM. Many parties emphasized the importance of guaranteeing environmental integrity in the use of standardized baselines.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.10), SBSTA invites parties, intergovernmental and admitted observer organizations to submit to the Secretariat by 16 August 2010, options to address the: scope of the development of standardized baselines; mandatory or optional use of the baselines; procedural requirements for development of the baselines; priorities for developing the baselines; access by underrepresented regions, subregions, sectors and LDCs to the CDM; level of aggregation and boundaries; data quality, availability, collection and confidentiality; financing of the

development of standardized baselines, including capacity building and data collection; and accounting for development over time, including past efforts. The SBSTA also requests the Secretariat to prepare a technical paper taking account of submissions received, for consideration by SBSTA 33.

Common metrics to calculate CO₂ equivalence of greenhouse gases: This issue was first taken up by the SBSTA plenary on 31 May. It was subsequently considered through informal consultations facilitated by Michael Gytarsky (Russian Federation). During the closing plenary, Gytarsky said that parties were unable to agree on substantive conclusions. Consideration of the issue will continue at SBSTA 33.

SCIENTIFIC, TECHNOLOGICAL AND SOCIO-ECONOMIC ASPECTS OF MITIGATING CLIMATE CHANGE: This issue was first taken up by the SBSTA plenary on 31 June. It was subsequently considered through informal consultations co-facilitated by Kunihiko Shimada (Japan) and Fredrick Kossam (Malawi). The key issues discussed included: technical papers on costs and benefits of achieving a long-term objective of limiting temperature increase to 1.5°C; aspects of agricultural mitigation and adaptation; and work on energy efficiency and supply.

During the SBSTA closing plenary on 9 June, Barbados, for AOSIS, stated that he could not accept the proposed SBSTA conclusions. Supported by Lesotho, for the LDCs, Spain, for the EU, Panama, South Africa, Australia, Colombia, Malawi, the Philippines and Norway, AOSIS proposed requesting the Secretariat prepare a technical paper on the options for limiting global average temperature increase to below 1.5°C and 2°C. This was opposed by Saudi Arabia and Kuwait. Saudi Arabia suggested that the technical paper consider, *inter alia*: analysis of pledges, spillover effects, and response measures.

Following suspension of the plenary for informal consultations, Saudi Arabia, supported by Venezuela, Kuwait and Qatar, said they could not accept the proposed compromise text, which would have included reference to spillover effects. Saudi Arabia questioned the capacity of the Secretariat to undertake this task. Bolivia, supported by Nicaragua, called for also analyzing the 1°C target.

Parties then suspended plenary until 10 June. Grenada stressed that the proposed text was “agreed to by the party who now opposes it.” He said this was an issue of a “moving target,” stressing that “we cannot set the example that parties can derail the process by ignoring good faith and integrity.”

The SBSTA plenary resumed on 10 June. Highlighting that her proposal could be an “attractive compromise” for many parties, Venezuela suggested language requesting that “the Secretariat, under their own responsibility, prepare an informal technical paper.” Saudi Arabia, with Oman, Kuwait and Qatar, opposed the proposal and encouraged forwarding the item to future sessions. SBSTA adopted conclusions without referencing the proposed technical paper (FCCC/SBSTA/2010/L.7).

Underscoring that the technical paper would have assisted the most vulnerable countries prepare for the unavoidable impacts of climate change, Barbados emphasized that it is “ironic that other developing countries are blocking it,” asked whether “this is the solidarity and brotherhood they speak so eloquently about,” and stressed that “this is not a game, the existence of entire countries is at stake.”

South Africa, with Colombia, Grenada, for AOSIS, Australia, Spain, for the EU, Jamaica, Bolivia, Nigeria, Guatemala, and Papua New Guinea, regretted the lack of an outcome on this item and supported further discussions at SBSTA 33. AOSIS noted that “limited opposition” to the proposal “holds the promise of common consensus.”

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.7), SBSTA requests the Secretariat to prepare a synthesis report on the work already undertaken under the agenda item for SBSTA 33.

PROTOCOL ARTICLE 2.3 (adverse impacts of policies and measures): This issue was considered by the SBSTA plenary on 31 May and through a joint SBI/SBSTA contact group and informal consultations co-chaired by Andrew Ure (Australia) and Eduardo Calvo Buendia (Peru). SBSTA adopted conclusions on 9 June. The relevant discussions have been summarized under the SBI agenda item on Protocol Article 3.14 (see page 17).

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.13), SBSTA agrees: to set up a joint SBI/SBSTA contact group to discuss the SBSTA agenda item on Protocol Article 2.3 and the SBI agenda item on Protocol Article 3.14; and to continue discussions based on the draft text annexed to the conclusions.

COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS: This issue was taken up by the SBSTA plenary on 31 May with UNFCCC Executive Secretary Yvo de Boer providing an overview of cooperation between the Secretariat and relevant bodies. Parties requested SBSTA Chair Konaté to prepare draft conclusions, which were adopted on 9 June.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2010/L.4), SBSTA requests that the Secretariat prepare a briefing paper on cooperative activities prior to future meetings

CLOSING PLENARY: The SBSTA closing plenary first convened in the evening on 9 June 2010. The plenary was suspended at 10:06 pm to allow parties to consult on the scientific, technical and socio-economic aspects of mitigating climate change. The SBSTA closing plenary resumed on Thursday morning, 10 June. Parties adopted the meeting’s report (FCCC/SBSTA/2010/L.1).

Yemen, for the G-77/China, stated that it looked forward to considering issues identified by the EGTT under the AWG-LCA and underscored action-based implementation of the NWP. Lesotho, for the LDCs, highlighted the importance of the NWP and research and systematic observation, and called for increased attention to the LDC work programme. Spain, for the EU, welcomed progress on the NWP, the EGTT’s work programme and standardized baselines under the CDM. Australia, for the Umbrella Group, noted progress on REDD and the UNFCCC reporting guidelines.

Kuwait emphasized his country’s efforts to reduce the effects of climate change and financially support projects in other developing countries.

ICLEI-Local Governments for Sustainability welcomed progress on the NWP, highlighting the role of local governments in addressing climate change. Women’s Environment and Development Organization, for Women and Gender NGOs, underscored that REDD should not worsen the livelihoods of women and called for, *inter alia*, gender equality.

World Coal Institute, for BINGOs, urged parties to include CCS under the CDM and establish regulatory frameworks that give incentives to CCS. International Trade Union Federation, for Trade Unions, highlighted the importance of enhancing the NWP and raised concerns about the lack of progress on scientific, technical and socio-economic aspects of mitigation.

SBSTA Chair Konate declared SBSTA 32 closed at 1:10 pm on 10 June.

JOINT SBI/SBSTA SESSION

On 9 June, a joint SBI/SBSTA session took place to bid farewell to UNFCCC Executive Secretary Yvo de Boer. SBSTA Chair Mama Konaté expressed his thanks to de Boer for his work. De Boer thanked the negotiators, NGOs, IGOs, the business community and his colleagues in the Secretariat for their hard work over the past four to fourteen years. He stressed that “we do not have another fourteen years” to show that the UNFCCC progress can deliver, explaining through a football analogy that “we were given a yellow card in Copenhagen and the referee’s hand will edge towards the red one if we fail to deliver in Cancún and beyond.” He noted that for many, the way forward would be legally binding, explaining that “these words mean different things to different people” and that this is good “as it enables defining the concept in broader terms.” De Boer stressed that “we cannot afford to delay more stringent action much longer” as “the 2°C world would be in danger and the door to the 1.5°C world is rapidly closing.” He called for addressing the “political essentials” and separating political questions from the technical ones, and highlighted the importance of technical negotiations with clear mandates.

The G-77/China, the EU, AOSIS, the African Group, the LDCs, the Environment Integrity Group, the Umbrella Group and SBI Chair Robert Owen-Jones then thanked UNFCCC Executive Secretary de Boer for his leadership.

A BRIEF ANALYSIS OF THE MEETINGS

Over the past months, climate change has been very much in the limelight through various meetings and initiatives, such as the UN Secretary-General’s High-level Advisory Group on Climate Change Financing, the World People’s Conference on Climate Change and the Rights of Mother Earth in Cochabamba, Bolivia, the Petersburg Climate Dialogue and the Oslo Forest Climate Conference. Nevertheless, the second round of the Bonn Climate Change Talks in 2010 marked the first time that substantive issues were discussed under the UNFCCC since the UN Climate Change Conference in Copenhagen. Back in the familiar corridors of the Maritim hotel, many delegates seemed anxious to gauge the state of negotiations and expectations for the sixteenth Conference of the Parties (COP 16) and sixth Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 6) in Cancún, Mexico. In particular, many were wondering whether parties had lowered their level of ambition after Copenhagen or whether they were aiming to provide a strong and meaningful international response to climate change.

This analysis will take a closer look at the June climate change negotiations examining the process and tone of negotiations, progress on substance, the relationship with the various complementary processes and emerging partnerships, and the prospects for Cancún and beyond.

ESTABLISHING A TONE

Delegates commented that the tone of discussions for most of the two weeks was positive, with countries engaging in dialogue and explaining their positions in earnest. Many felt that there was little sign of the “anger and mistrust” that marked the end of the Copenhagen conference. In the AWG-LCA, work centered on the Chair’s new draft negotiating text and what delegates characterized as a “trust building exercise,” with parties mainly responding to questions by AWG-LCA Chair Margaret Mukahanana-Sangarwe to identify key leverage points and facilitate the revision of the Chair’s text. Delegates’ initial reaction to this procedure was positive and, at the beginning, parties appreciated the opportunity to concentrate fully on issues within the single contact group. Despite some initial attempts by parties at producing compromises at the encouragement of Chair Mukahanana-Sangarwe, many felt that the single contact group was not the right place to engage in more serious negotiations. Thus, in the absence of a less structured forum, some felt that parties often resorted to “passive restatement of known positions” although the tone remained positive.

On the last two days strong emotions emerged following the release of an advance version of the Chair’s revised draft negotiating text, which attempted to reduce options and remove brackets. Developing countries seemed particularly unhappy with the text; the G-77/China felt the text was unbalanced. Also the US objected to elements of the Kyoto Protocol that had entered the text. Indeed, according to one negotiator, no one really liked the text. However, most parties underscored their confidence in the Chair and refrained from expressing irritation at their counterparts. Many seemed simply frustrated by the difficulty of finding an acceptable balance and one delegate explained that “we all understand where different groups are coming from, but there appears to be no middle ground on most issues.” Many therefore left Bonn wondering about the next steps and whether it will even be possible to find an acceptable balance on issues where parties have long-standing and deep divides, such as MRV, compliance and mitigation by developed and developing countries.

CAN TECHNICAL PROGRESS LEAD TO POLITICAL DECISIONS?

In terms of substance, many agreed that mitigation remains “one of the trickiest issues.” The level of ambition reflected in the pledges for mid-term emission reductions by Annex I countries does not match the science. The main sticking points are familiar: engaging the US and ensuring the comparability of Annex I countries’ emission reductions efforts; agreeing on the fate of the Kyoto Protocol; deciding whether targets should be set “top-down” or “bottom up”; and last, but definitely not least, finding a legal framework for mitigation and MRV that is acceptable to both developed and developing countries.

Cooperation between the two negotiating tracks is an issue that many feel has continued to stall progress on mitigation, especially under the *Ad Hoc* Working Group on Further

Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP). Many developed country delegates said they were positively surprised at a “substantial amount of support” for creating a “common space” for discussions by the two AWGs. The proposal came from the Alliance of Small Island States (AOSIS) and some Latin American countries but other developing countries were divided on whether to support the proposal. The proposal brought shifting positions in developing countries to light, with a number of them now supporting a limited construction of common space between the two tracks to address mitigation by Annex I countries. Others opposed it, expressing concern that such discussions represent a step towards the “death” of the Protocol. One experienced negotiator commented that “the G-77/China is not going to agree to combine the two negotiating tracks, but some developing countries are now seeing a common space as a means of discussing key cross-cutting issues, which might indicate that the G-77/China would ultimately be willing to allow common discussion of a limited number of issues.”

Developed country parties to the Protocol were generally pleased with what they saw as some progress to the right direction, and many hoped it was a step towards possible joint discussion of emission reductions by all parties. The US, however, objected to a “common space” to discuss Annex I emission reductions in the context of the Kyoto Protocol because they are not a Protocol party. Some speculated that this was due to the long-held US position on the need to discuss emission reductions for all major emitters and its opposition to a legal framework resembling the Protocol, while others felt that stalled US climate legislation means that they are not quite ready to discuss specific emissions reductions targets.

Under the AWG-KP, many parties seemed to hope that additional technical work on Annex I parties’ assumptions on issues such as land use, land-use change and forestry (LULUCF), the use of flexibility mechanisms, inclusion of new greenhouse gases, translating pledges into quantified emission reduction and limitation objectives (QELROs) and surplus Assigned Amount Units (AAUs), would provide clear options for future political decisions and begin moving the process forward after little progress on Annex I emission reductions in 2009. During the meeting, the G-77/China presented a common position on a way forward for transparency in constructing LULUCF reference levels. While this was not accepted by Annex I parties, most welcomed the proposal as having elements that could be the basis for further negotiations in the coming months. The agreement to hold a technical workshop on possible ways to enhance the level of emission reductions ambition of Annex I parties, was also seen as progress.

On technical work on mitigation under the Subsidiary Body on Scientific and Technological Advice (SBSTA), progress was more limited. Some oil producing countries, including Saudi Arabia, Kuwait and Qatar, blocked a request by many parties for the Secretariat to prepare technical paper on the options for limiting global average temperature increase to below 1.5°C or 2°C. A number of explanations circulated on the reasons for this disagreement. Some saw the technical paper as a potential signal to the Intergovernmental Panel on Climate Change (IPCC) to consider low emission scenarios in the upcoming Fifth Assessment Report (AR5), a prospect that is opposed by some

developing countries. In the IPCC these developing countries have emphasized that the science on low emission scenarios is not advanced enough to include in the AR5, however, many argued that the underlying reason for opposition to 1.5°C or below is that it implies a “drastic constraint” on fossil fuel use. Others speculated that a political stalemate under the SBSTA has emerged due to a number of countries, including many AOSIS members, opposing the inclusion of carbon capture and storage under the Clean Development Mechanism, which is strongly advocated by some oil producers. Both of these explanations underscore the challenges posed by scientific uncertainty to the negotiations. A senior negotiator opined that parties are “hiding behind uncertainty to protect their interests and maintain long-held positions.”

In the AWG-LCA, several delegates felt that tentative progress was made on the critical issue of finance, with the US proposal for the establishment of a fund accountable to the COP. This was cautiously welcomed by developing countries, who have long called for a financial mechanism under the authority of the COP. They commented, however, that “this still leaves unanswered the question of the level of accountability to the COP and the wider financial framework, which are key issues to be resolved.” Some also predicted that further progress on finance in the next two meetings of the AWG-LCA may be limited as many developed countries are awaiting the recommendations of the UN Secretary-General’s High-level Advisory Group on Climate Financing on sources of finance, expected in November.

THE CONTRIBUTION OF COMPLEMENTARY PROCESSES

In terms of enhancing dialogue, a number of complementary processes have emerged since Copenhagen. Interested developed and developing countries have joined together to explore the formation of interim partnerships seeking to share information and explore best practices. These “coalitions of the willing” have met on the fringes of the negotiations to discuss the adaptation partnership led by Spain, Costa Rica and US, the partnership on MRV led by Germany and South Africa, and the Norway and France REDD+ partnership. Many participants explained that they see these forums as leading to country-driven approaches, North-South and South-South cooperation and building support to scale-up of successful demonstration activities. While those involved in the partnerships have emphasized that they do not want to interfere with the UNFCCC process, some delegates have expressed concern that these processes may gain traction on their own and could influence political decisions within the negotiations, lead to fragmented frameworks competing with each other and the negotiations, or result in some countries being left behind. Several delegates were wondering about the transparency of these processes, how they would feed into the negotiations under the UNFCCC, and whether the UNFCCC process would maintain its central role in the response to climate change. Some simply characterized these efforts simply as “dangerous for the UNFCCC process.”

On the other hand, many hoped that the emerging partnerships will build on the recent goodwill and dialogue. Others see them as a means to start financial flows and produce concrete progress. They argue that this will help provide the momentum

and convince parties to make the political decisions and compromises that are needed to move the UNFCCC process forward.

BONN OUTCOMES AND PROSPECTS FOR CANCÚN

As pre-meeting hopes gave way to post-meeting realities, many felt that the Bonn session highlighted the challenges faced by delegates on the way to Cancún, including how ambitious they should be. On the AWG-LCA side, many said they felt unsure about the next steps: “until we see the final version of the revised draft negotiating text released before the meeting in August, we’re not going to know whether we can move forward with it,” commented one delegate. She continued, “without a text in front of us, it’s too early to speculate on the outcome in Cancún.” A senior observer emphasized “that the path through Cancún and beyond requires political decisions from the top that will allow us to operationalize the blueprint that we have been working on for the last two and half years.”

Many felt that the Secretariat and the Mexican hosts of COP 16 are also trying to manage expectations for Cancún: while some still call for a legally binding agreement in Cancún, others are now saying “it is unlikely,” and were speculating on outcomes ranging from a variety of work programmes emerging from the Subsidiary Bodies, or agreement on issues under the AWGs on which there was substantial consensus in Copenhagen—such as REDD+ and finance—on an broader architectural framework. However, others predict that some parties will not allow advanced individual issues, such as REDD+, adaptation and finance, to proceed independently of a larger political package and has parties considering the prospects for a comprehensive legally binding agreement in South Africa at COP 17 in 2011. After Copenhagen, everyone is now fully aware of the challenges involved in reaching an ambitious agreement—and yet, as the impacts of climate change become increasingly apparent, it is clear that stringent action is required now more than ever before, in order not to close the door to the 1.5°C, or even 2°C, world. Failure is therefore not an option.

UPCOMING MEETINGS

Montreal Protocol OEWG-30: The Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer will consider financial mechanisms, amendments to the Protocol and issues related hydrochlorofluorocarbons. **dates:** 15-18 June 2010 **location:** Geneva, Switzerland **phone:** +254-20-762-3850/1 **fax:** +254-20-762-4691 **email:** ozoneinfo@unep.org **internet:** http://ozone.unep.org/Meeting_Documents/oweg/30oweg/index.shtml

UN Global Leaders Summit 2010: Chaired by UN Secretary-General Ban Ki-moon, the UN Global Compact Leaders Summit 2010 will address global challenges like financial market breakdowns and environmental degradation. **dates:** 24-25 June 2010 **location:** UN Headquarters in New York **contact:** Summit Secretariat **phone:** +32-2-740-2222 **fax:** +32-2-743-1584 **email:** ls2010@mci-group.com **internet:** <http://www.leaderssummit2010.org>

G-20 Summit: The next G-20 summit will address measures to promote financial stability and to achieve sustainable economic growth and development. **dates:** 26-27 June 2010

location: Toronto, Canada **contact:** Summit Secretariat **phone:** +1-877-420-2261 **email:** G202010@international.gc.ca **internet:** <http://g20.gc.ca/home/>

Eighth Commonwealth Forestry Conference: This meeting will address the theme Restoring the Commonwealth’s Forests: Tackling Climate Change. **dates:** 28 June - 2 July 2010 **location:** Edinburgh, Scotland **phone:** +44-131-339-9235 **fax:** +44-131-339-9798 **email:** cfcc@in-conference.org.uk **internet:** <http://www.cfc2010.org/>

GEF Council Meeting: This meeting will develop, adopt and evaluate GEF programmes. **dates:** 29 June - 1 July 2010 **location:** Washington, DC **contact:** GEF Secretariat **phone:** +1-202-473-0508 **fax:** +1-202-522-3240/3245 **email:** secretariat@thegef.org **internet:** http://www.thegef.org/gef/council_meetings

2010 International Climate Change Adaptation Conference: This conference will be one of the first international forums to focus solely on climate impacts and adaptation and is co-hosted by Australia’s National Climate Change Adaptation Research Facility and the Commonwealth Scientific and Research Organization. **dates:** 29 June to 1 July 2010 **location:** Gold Coast, Australia **contact:** Conference Secretariat **phone:** +61-7-3368-2422 **fax:** +61-7-3368-2433 **email:** nccarf-conf2010@yrd.com.au **internet:** <http://www.nccarf.edu.au/conference2010>

AWG-KP 13 and AWG-LCA 11: The thirteenth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties of the Kyoto Protocol and the eleventh session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention will continue their work under UNFCCC. **dates:** 2-6 August 2010 **location:** Bonn, Germany **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **internet:** <http://unfccc.int/>

Sixth Australia-New Zealand Climate Change and Business Conference: The conference will focus on how business is moving forward on climate change response in a time of policy uncertainty. **dates:** 10-12 August 2010 **location:** Sydney, Australia **contact:** Fiona Driver **phone:** +64-9-480-2565 **fax:** +64-9-480-2564 **email:** f.driver@climateandbusiness.com **internet:** <http://www.climateandbusiness.com/index.cfm>

Second International Conference on Climate, Sustainability and Development in Semi-Arid Regions (ICID II): This conference aims to sharpen the focus on sustainable development of the semiarid regions of the world, to accelerate the achievement of Millennium Development Goals (MDG) to reduce vulnerability, poverty and inequality, improve the quality of natural resources and promote sustainable development. **dates:** 16-20 August 2010 **location:** Fortaleza, Brazil **contact:** Executive Secretariat **phone:** +55-61-3424-9608 **email:** contact@icid18.org **internet:** <http://icid18.org>

Workshop on Forest Governance, Decentralization and REDD+ in Latin America: This meeting will contribute both to UNFCCC COP 16 and the ninth session of the UN Forum on Forests. **dates:** 30 August to 3 September 2010 **location:** Oaxaca, Mexico **contact:** CIFOR **phone:** +62-251-8622-622 **fax:** +62-251-8622-100 **email:** cifor@cgiar.org **internet:** <http://www.cifor.cgiar.org/Events/CIFOR/decentralisation-redd.htm>

United Nations Forum on Forests (UNFF) Ad Hoc Expert Group on Forest Financing: This will be the first open-ended intergovernmental *ad hoc* expert group on financing for sustainable forest management, as part of the UNFF's strategic plan on forest financing. **dates:** 13-17 September 2010 **location:** Nairobi, Kenya **contact:** UNFF Secretariat **phone:** +1-212-963-3401 **fax:** +1-917-367-3186 **email:** unff@un.org **internet:** <http://www.un.org/esa/forests/>

Convention on Biological Diversity (CBD) COP 10: The tenth Conference of the Parties to the Convention on Biological Diversity is expected to, *inter alia*, assess the achievement of the 2010 target to reduce significantly the rate of biodiversity loss. It will be preceded by the fifth Meeting of the Parties to the Cartagena Protocol on Biosafety. **dates:** 18-29 October 2010 **location:** Nagoya, Japan **contact:** CBD Secretariat **phone:** +1-514-288-2220 **fax:** +1-514-288-6588 **email:** secretariat@cbd.int **internet:** <http://www.cbd.int/cop10/>

Delhi International Renewable Energy Conference (DIREC): This will be the fourth global ministerial level conference on renewable energy and will consist of a ministerial meeting, business-to-business and business-to-government meetings, side events and a trade show and exhibition. **dates:** 27-29 October 2010 **location:** New Delhi, India **contact:** Rajneesh Khattar, DIREC Secretariat **phone:** +91-9871711-26762 **fax:** +91-11-4279-5098/99 **email:** rajneeshk@eigroup.in **internet:** <http://direc2010.gov.in>

Climate Investment Funds (CIF) Trust Fund Committee and Subcommittee Meetings: This meeting will take place in Washington, DC. **dates:** 8-12 November 2010 **location:** Washington, DC **contact:** CIF administrative unit **phone:** +1-202-458-1801 **email:** ifadminunit@worldbank.org **internet:** http://www.climateinvestmentfunds.org/cif/november_mtgs_2010

Twenty-second Meeting of the Parties to the Montreal Protocol (MOP 22): This meeting is scheduled to take place in Kampala, Uganda in November 2010. **dates:** 8-12 November 2010 **location:** Kampala, Uganda **phone:** +254-20-762-3850/1 **fax:** +254-20-762-4691 **e-mail:** ozoneinfo@unep.org **internet:** <http://ozone.unep.org/Events/meetings2010.shtml>

November G-20 Summit: The Republic of Korea is chairing the G-20 in 2010. **dates:** 11-13 November 2010 **location:** Seoul, Republic of Korea **contact:** Presidential Committee for G-20 Summit **email:** G20KOR@korea.kr **internet:** <http://www.g20.org/index.aspx>

Sixteenth Conference of the Parties to the UNFCCC and Sixth Meeting of the Parties to the Kyoto Protocol: The 33rd meetings of the SBI and SBSTA will also take place as well as AWG-LCA 13 and AWG-KP 15 **dates:** 29 November to 10 December 2010 **location:** Cancún, Mexico **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **internet:** <http://unfccc.int/>

GLOSSARY

AAU	Assigned Amount Units
AF	Adaptation Fund
AOSIS	Alliance of Small Island States
AWG-KP	<i>Ad Hoc</i> Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol
AWG-LCA	<i>Ad Hoc</i> Working Group on Long-term Cooperative Action under the Convention
BAP	Bali Action Plan
CCS	Carbon capture and storage
CDM	Clean Development Mechanism
CGE	Consultative Group of Experts on Non-Annex I National Communications
COP	Conference of the Parties
COP/MOP	Conference of the Parties serving as the Meeting of the Parties
EGTT	Expert Group on Technology Transfer
GEF	Global Environment Facility
GHG	Greenhouse gas
HWP	Harvested wood products
ICA	International Consultation and Analysis
IPCC	Intergovernmental Panel on Climate Change
ITL	International Transaction Log
LDC	Least developed country
LDCF	Least Developed Country Fund
LULUCF	Land use, land-use change and forestry
MRV	Monitoring, review and verification
NAMA	Nationally Appropriate Mitigation Action
NAPA	National Adaptation Programme of Action
NWP	Nairobi Work Programme on impacts, vulnerability and adaptation to climate change
ppm	Parts per million of carbon equivalent
QELROs	Quantified emission limitation and reduction objectives
REDD	Reducing emissions from deforestation in developing countries
REDD+	Reducing emissions from deforestation in developing countries, including conservation
SBs	UNFCCC Subsidiary Bodies
SBI	UNFCCC Subsidiary Body on Implementation
SBSTA	UNFCCC Subsidiary Body on Scientific and Technical Advice
SCCF	Special Climate Change Fund
SIDS	Small Island Developing States
TCN	Climate Technology Center and Network
TEC	Technology Executive Committee
TORs	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change